DOMINION OF CANADA

OFFICIAL REPORT

OF

DEBATES
HOUSE OF COMMONS

SECOND SESSION—EIGHTEENTH PARLIAMENT

1 GEORGE VI, 1937

VOLUME I, 1937

COMPRISING THE PERIOD FROM THE FOURTEENTH DAY OF JANUARY, 1937, TO THE EIGHTEENTH DAY OF FEBRUARY, 1937, INCLUSIVE

BEING

VOLUME CCXI FOR THE PERIOD 1875-1937

INDEX ISSUED IN A SEPARATE VOLUME

OTTAWA
J. O. PATENAUDE, I.S.O.
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1937

CANADA

House of Commons Debates

OFFICIAL REPORT

Thursday, January 14, 1937

SECOND SESSION—EIGHTEENTH PARLIAMENT—OPENING

The parliament which had been prorogued from time to time to the 14th day of January, 1937, met this day at Ottawa, for the dispatch of business.

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

Mr. Speaker read a communication from the 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 Major A. R. Thompson, 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 Fizalam William Perras, member for the electoral district of Wright, by decease;

Of Hon. Peter John Veniot, member for the electoral district of Gloucester, by decease;

Of Edgar Rodolphe Eugene Chevrier, member for the electoral district of Ottawa East, consequent upon the acceptance of an office of emolument under the crown.

I accordingly issued my several 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 the clerk of the house has received from the chief electoral officer certificates of the election and return of the following members, viz:

Of Hon. Simon Fraser Tolmie, for the electoral district of Victoria (B.C.).

Of Rodolphe Leduc, for the electoral district of Wright.

Of Clarence Joseph Veniot, for the electoral district of Gloucester.

Of Joseph Albert Pinard, for the electoral district of Ottawa East.

NEW MEMBERS INTRODUCED

Rodolphe Leduc, Esquire, member for the electoral district of Wright, introduced by Right Hon. W. L. Mackenzie King and Hon. Fernand Rinfret.

Clarence Joseph Veniot, Esquire, member for the electoral district of Gloucester, introduced by Right Hon. W. L. Mackenzie King and Hon. J. E. Michaud.

Joseph Albert Pinard, Esquire, member for the electoral district of Ottawa East, introduced by Right Hon. W. L. Mackenzie King and Hon. J. C. Elliott.

Hon. Simon Fraser Tolmie, member for the electoral district of Victoria (B.C.), introduced by Right Hon. Sir George Perley and Hon. H. A. Stewart.

ABDICATION OF KING EDWARD VIII

MESSAGE FROM HIS FORMER MAJESTY DATED DECEMBER 10, 1936, AND INSTRUMENT OF ABDICATION

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I have received from His Excellency the Governor General a message from His former Majesty, King Edward VIII, dated December 10, 1936, and the instrument of abdication of Edward VIII, of the same date.

The message communicates His former Majesty's final and irrevocable decision to renounce the throne to which he succeeded on the death of his father, and sets forth the instrument of abdication executed by King Edward VIII on that day. Originals of the instrument of abdication and of the message, each signed in His former Majesty's own hand, were forwarded by command of King Edward VIII, by letter, from Buckingham palace, on December 10, 1936, to His Excellency the Governor General.

The text of the instrument of abdication and of His former Majesty's message were communicated by cable to His Excellency the Governor General on the morning of December the 10th, 1936, and immediately communicated by His Excellency to his ministers.

The originals of the message and of the instrument of abdication are under my hand at the moment. It is my intention, unless hon. members of either the Senate or the Commons should otherwise direct, to have them deposited for safe custody in the office of the Privy Council.

I place in your hands, Mr. Speaker, to be read to hon. members and to be retained among the records of this house, a photostatic copy of each of these documents.

Mr. SPEAKER: The documents are as follows:

Instrument of Abdication

I, Edward the Eighth, of Great Britain, Ireland, and the British Dominions beyond the Seas, King, Emperor of India, do hereby declare my irrevocable determination to renounce the throne for myself and for my descendants, and my desire that effect should be given to this instrument of abdication immediately.

In token whereof I have hereunto set my hand this tenth day of December, nineteen hundred and thirty six, in the presence of the witnesses whose signatures are subscribed.

Signed at
Fort Belvedere
in the presence
of
Albert
Henry
George

EDWARD R. I.

After long and anxious consideration, I have determined to renounce the throne to which I succeeded on the death of my father, and I am now communicating this, my final and irrevocable decision. Realizing as I do the gravity of this step, I can only hope that I shall have the understanding of my peoples in the decision I have taken and the reasons which have led me to take it. I will not enter now into my private feelings, but I would beg that it should be remembered that the burden which constantly rests upon the shoulders of a sovereign is so heavy that it can only be borne in circumstances different from those in which I now find myself. I conceive that I am not overlooking the duty that rests on me to place in the forefront the public interest, when I declare that I am conscious that I can no longer discharge this heavy task with efficiency or with satisfaction to myself.

I have accordingly this morning executed an instrument of abdication in the terms following:—

"I, Edward VIII, of Great Britain, Ireland, and the British Dominions beyond the Seas, King, Emperor of India, do hereby declare my irrevocable determination to renounce the throne for myself and for my descendants, and my desire that effect should be given to this instrument of abdication immediately.

In token whereof I have hereunto set my hand this tenth day of December, nineteen hundred and thirty-six, in the presence of the witnesses whose signatures are subscribed.

(Signed) Edward R. I."

My execution of this instrument has been witnessed by my three brothers, Their Royal Highnesses the Duke of York, the Duke of Gloucester and the Duke of Kent.

I deeply appreciate the spirit which has actuated the appeals which have been made to me to take a different decision, and I have, before reaching my final determination, most fully pondered over them. But my mind is made up. Moreover, further delay cannot but be most injurious to the peoples whom I have tried to serve as Prince of Wales and as king and whose future happiness and prosperity are the constant wish of my heart.

I take my leave of them in the confident hope that the course which I have thought it right to follow is that which is best for the stability of the throne and empire and the happiness of my peoples. I am deeply sensible of the consideration which they have always extended to me both before and after my accession to the throne and which I know they will extend in full measure to my successor.

I am most anxious that there should be no delay of any kind in giving effect to the instrument which I have executed and that all necessary steps should be taken immediately to secure that my lawful successor, my brother, His Royal Highness the Duke of York, should ascend the throne.

Edward R.I.

10th December, 1936.

ALTERATION IN THE LAW TOUCHING THE SUCCESSION TO THE THRONE

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved for leave to introduce Bill No. 1, respecting alteration in the law touching the succession to the throne.

Motion agreed to and bill read the first time.

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:

It affords me much pleasure to meet you at the commencement of another session of parliament.

The people of Canada, in common with the peoples of the other parts of the British commonwealth of nations, learned with deep concern of the decision of His Majesty King Edward the Eighth to renounce the throne for himself and his descendants. In accordance with the Statute of Westminster, steps were immediately taken to set forth the request and consent of Canada to the enactment of legislation by the parliament at Westminster for the purpose of giving effect to His Majesty's instrument of abdication and providing for the succession to the throne. In accordance with the same statute, the assent of the parliament of Canada will be sought to the alteration in the law touching the succession.

You will be invited to adopt a resolution expressive of the loyalty of the members of both houses of parliament to His Majesty King George the Sixth.

His Majesty has been graciously pleased to set the twelfth of May as the date for his coronation. Provision will be recommended for the appropriate representation of Canada at the coronation ceremonies.

An imperial conference will be held in London, beginning in May of this year, for the consideration of questions of interest to the various members of the British commonwealth.

The international situation continues to give much ground for anxiety. The September assembly of the League of Nations gave earnest consideration to the bearing of recent developments upon the activities of the league, and a committee was appointed, on which Canada is represented, to consider the question of the application of the principles of the covenant.

Happily, international relations on this continent, and conditions in Canada, present a striking contrast to those of many other countries.

The visit of the President of the United States to Canada in July last was a much appreciated expression of international friendliness and good-will.

The year just closed has witnessed a steady improvement in conditions throughout Canada, and has borne testimony to the beneficial effects of the fiscal policies of the administration, and of other methods employed to achieve national recovery. A very definite restoration of confidence is in itself an augury of the continuance of recovery.

A marked increase in trade and commerce has been accompanied by a noticeable improvement in the general economic position. Outstanding features of this improvement have been an expansion of markets, a revival of industry, an increase in employment, ascending government revenues, and upward trends in wages and prices. In the primary industries improvement has been especially noteworthy.

There has been a pronounced increase in the volume of farm products exported. It is the intention of the government to continue a vigorous promotion of the sale of agricultural products at home and abroad.

The government's efforts to expand Canada's trade have been unremitting. Since the last session of parliament ministers of the crown have visited Great Britain and other countries, to participate personally in the negotiation of trade agreements. At the present time, the Minister of Trade and Commerce is on the way to Australia and New Zealand to discuss the revision of existing agreements.

You will be pleased to learn that an agreement in principle has been reached between His Majesty's governments in the United Kingdom and Canada with respect to a new trade agreement. The agreement itself will be submitted for your approval during the present session.

With the assistance and cooperation of the National Employment Commission, progress has been made in coping with unemployment and relief. Relief camps were closed on July 1. A registration of unemployed persons on relief has been completed. Dominion-provincial agreements have been entered into respecting a farm employment plan, under the terms of which work has been provided for thousands of single homeless men. A home improvement plan has been put into operation. Despite these measures, however, and the substantial increase of employment, the provision for large numbers still on relief remains a foremost problem.

Measures will be taken, in cooperation with the provinces, to assist in the establishment of unemployed young people.

A comprehensive program to meet the serious conditions created by widespread and intense drought in western Canada was adopted during the summer months.

The amalgamation and consolidation of certain branches of the public service, for which provision was made at the last session, have been effected. The board of governors of the Canadian Broadcasting Corporation and the board of directors of the Canadian National Railways have been appointed and have entered upon their duties. Through the purchase of stock and the appointment of directors, authorized by parliament, the government has assumed a predominant interest in the ownership, and an effective control of the Bank of Canada.

Measures will be introduced to provide for the establishment of a trans-Canada air service; to extend the authority of the board of railway commissioners, and to revise the capital structure of the Canadian National Railways. Among other proposed legislative enactments to which your attention will be invited, will be bills to facilitate the making of loans for the repair and improvement of rural and urban homes; to amend and consolidate the acts which relate to combines in trade and industry, and to provide for pensions to the blind at a lower age than seventy years. A measure will also

be submitted with respect to the discharge, in any coin or currency which is legal tender, of debt payments at present required to be made in gold or gold coin.

Members of the House of Commons:

The public accounts of the last fiscal year and the estimates for the coming year will be submitted for your consideration.

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

In again inviting your careful consideration of the important matters which will engage your attention, I pray that Divine Providence may 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.

STANDING COMMITTEES

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

That a special committee consisting of Messrs. Casselman, Gray, Mackenzie (Vancouver), Power and Woodsworth, be appointed to prepare and report with all convenient speed, lists of members to compose the standing committees of this house, under standing order 63.

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 T. A. Crerar, Minister of Mines and Resources, the Honourable Ernest Lapointe, Minister of Justice, the Honourable Charles A. Dunning, Minister of Finance, and the Honourable W. D. Euler, Minister of Trade and Commerce, to act with the Speaker of the House of Commons as commissioners for the purposes and under the provisions of chapter 145 of the revised statutes of Canada, 1927, intituled An Act Respecting the House of Commons.

LIBRARY OF PARLIAMENT

Mr. SPEAKER: I have the honour to lay before the house the report of the joint librarians of parliament.

ACCESSION OF KING GEORGE VI

NOTICE OF ADDRESS TO HIS MAJESTY CONVEYING GREETINGS AND ASSURANCES OF LOYALTY AND SUPPORT

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I would ask the leave of the house to move that to-morrow the house take into consideration a resolution to extend the greetings of its members to His Majesty King George VI upon His Majesty's accession to the throne, and to convey to His Majesty and to Her Majesty the Queen the assurance of their loyalty and support, and that standing order 45 with respect to notices be suspended in relation thereto.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker, as the Prime Minister is aware, forty-eight hours' notice is necessary before a motion of this kind may be introduced. At page 117 of Beauchesne's Rules and Forms, I read:

Forty-eight hours' notice shall be given of a motion for leave to present a bill, resolution or address, for the appointment of any committee, or for placing a question on the order paper,—

And so on. That clearly refers to a matter of this kind. This was recognized by the Prime Minister himself a year ago under similar circumstances, when he said on the opening day of the session:

As hon. members know, the rules of the house require forty-eight hours' notice of any resolution.

If this were a minor matter I would not raise objection, but it is a very important one. Only this afternoon the Prime Minister introduced a bill providing for alteration in the law touching the succession to the throne. That is a very important bill, and we are all fully aware of the extraordinary circumstances under which this legislation is being introduced. As a matter of fact, the legislation is intended to be retroactive because already we have an accomplished fact.

Under these circumstances, Mr. Speaker, I think the Prime Minister ought not to press a motion of this kind. It is very undesirable indeed that questions relative to procedure and criticisms of the policy of the government should be mixed up with an address to His Majesty, and yet that must inevitably result if the Prime Minister insists upon introducing this matter at this time. The debate on the bill which the Prime Minister has introduced would be lacking in reality if an address to His Majesty were presented before the bill is proceeded with. Personally I am of the opinion that the government has already taken steps which it should not have taken. Even within the last few days we have had a notification from the clerk that no member shall be permitted to take his seat without first taking an oath or declaration of allegiance to the crown, but if parliament has the right to go on, members have the right to take their seats in this house; and it

would seem now that here is an attempt to take one more step by which the members of the house shall be deprived of their right fully to express themselves.

In my opinion, Mr. Speaker, the bill which the Prime Minister has introduced should be discussed and should be passed before there is an address to His Majesty. If the government insists on presenting an address to-morrow we shall have to take the opportunity to discuss the matter at that time. In the meantime I must protest against this suggested abrogation of the rules of the house. The rule is there. The Prime Minister will not go so far, I think, as to set aside an accepted rule of this house.

Mr. MACKENZIE KING: Mr. Speaker, may I say to my hon. friend that I have been very careful to observe the rule with respect to notice, because I prefaced my remarks by asking for the unanimous consent of the house to move to-morrow the resolution to which I referred. My hon. friend is quite within his rights in raising the objection that he does, but I hope he will not press it, for a reason which I shall mention to him.

He has referred to the bill which I introduced respecting an alteration in the law touching the succession to the throne as being retroactive. I may say to him that it is not retroactive in any of its clauses. It relates to the succession to the throne as it applies to the future, not to the past; therefore on that point my hon. friend may be assured that there could be nothing in the discussion of the measure here which because of any retroactive features would occasion embarrassment. Moreover, when this bill does proceed to its second reading there will be ample opportunity for my hon. friend and any other hon. members of the house to discuss any and all matters relating to the succession in so far as they may desire so to do. There will be no attempt, I can assure my hon. friend, to curb the discussion in any way.

The purpose of the resolution which I have asked the house to consent to allow me to move to-morrow is simply to give this house the earliest possible opportunity of extending to the new king the greetings which all hon. members are anxious to extend, and to express to His Majesty and to Her Majesty the Queen their feelings of loyalty and support. I know that my hon. friend will wish to join with all other hon. members in that resolution.

Mr. WOODSWORTH: At the proper time.

Mr. MACKENZIE KING: May I say to my hon. friend, with respect to the proper time, that when we have regard to the great responsibilities that rest upon His Majesty King George VI, I think the proper time to assure him of our loyalty and support is at the earliest possible moment. If my hon. friend continues to press his objection it will simply mean that instead of the resolution being moved to-morrow it will have to stand as a notice and come up later on. I had thought that to-morrow the house might pay the tributes that are customary to those of our number who in the interval of the recess have passed away, and that we might also adopt the resolution for an address to His Majesty King George VI, the terms of which I think my hon. friend will heartily approve.

I shall not press the matter further if my hon. friend still objects to giving unanimous consent, because he is entirely within his rights in so doing. I am sure, however, that hon. members would appreciate his withdrawing his objection and allowing the resolution to be proceeded with to-morrow, and I hope he will do so.

Motion agreed to.

DOCUMENTS AND CORRESPONDENCE

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I desire to lay on the table of the house two photostat copies of a message from His former Majesty King Edward VIII, dated December 10, 1936, and the instrument of abdication of King Edward of the same date; two copies of the order in council of December 10, 1936, P.C. 3144, setting forth the request for the consent of Canada to the enactment of legislation by the parliament at Westminster providing for alteration in the law touching the succession to the throne; also two certified copies of the proclamation of accession of His Majesty King George VI as recorded by the Registrar General of Canada.

Right Hon. Sir GEORGE PERLEY (Argenteuil): I should like to ask the Prime Minister a question. Is it the intention of the government to lay on the table of the house copies of all communications in any way relating to the abdication of His Majesty King Edward VIII, including copies of all cables, letters and other correspondence between the Canadian government, or any member thereof, and the governments of Great Britain and the other dominions, or any member thereof?

Mr. MACKENZIE KING: I might say to my right hon. friend who is leading the opposition that it is my intention to make to the house at an early day a statement

with respect to matters pertaining to the abdication of His former Majesty King Edward VIII, and to the accession of His Majesty King George VI.

I have inquired of His Majesty's government of the United Kingdom as to whether the correspondence which took place at that time had been tabled at Westminster, and I have been informed by the Prime Minister that it was thought inadvisable to reopen the question by placing on the table the correspondence to which my right hon. friend has referred. I have communicated with the other dominions of the British commonwealth of nations and have received from Australia a communication in which the Prime Minister states that he did not think it in the public interest to disclose the correspondence which had taken place, but that he had made a statement to his house which he believes was regarded as satisfactory in reference to the abdication.

The parliament of New Zealand does not meet for some months to come, and it is impossible to say what will be done there. I have not yet received a reply either from South Africa or from the Irish Free State. I do not believe, however, that correspondence has been asked for or presented to the parliaments of either of these countries.

May I say that when I make the statement I have referred to, if hon. members have questions which they would like to ask of myself or of other members of the government we shall do our best to reply to them, and perhaps the house might then consider whether it would wish to have more in the way of correspondence. I believe that the hon. member for Winnipeg North Centre (Mr. Woodsworth) has given notice to the clerk that he would like to have papers produced, and that notice would afford an opportunity, if no other were afforded, to discuss the matter were it thought advisable to consider it then. For the present, however, I have no further documents to lay on the table of the house in reference to the matter.

On motion of Mr. Mackenzie King the house adjourned at 4.40 p.m.

Friday, January 15, 1937

The house met at three o'clock.

TRIBUTES TO DECEASED MEMBERS

THE LATE FIZALAM WILLIAM PERRAS—THE LATE HON. PETER JOHN VENIOT

Right Hon. W. L. MACKENZIE KING (Prime Minister): Since parliament prorogued on June 23 last two hon. members who were with us in this house, at the last session, have been taken from us by the hand of death. Both occupied seats on this side of the house. Before entering upon the business of the session, it is fitting that a word should be said with respect to the double loss we have sustained.

Parliament had prorogued but a few days when word was received that Mr. Perras, the member for Wright county, had passed away. I must confess that his death came as a great shock to me personally, as indeed it must have to all hon. members, because only an evening or two before the prorogation of parliament we were seated together at this desk, after the house had discontinued its sitting, discussing the welfare of one of his constituents. The solicitude which Mr. Perras felt for those who applied to him for help was characteristic of the man. It explains, in large manner, the hold he had on the affections of the people of his constituency.

Mr. Perras was born in Hull, Quebec, in 1876. He received his early education in a primary school of Hull and was a graduate of Ottawa university. His business and political interests were for the most part identified with the county of Wright, his native county. For a time he was mayor of the municipality of Gracefield, where he subsequently resided, and was warden of the county.

Mr. Perras was elected to parliament as the member for Wright in 1925 and was returned at the general elections of 1926, 1930 and 1935, each time with an increased majority. In this house Mr. Perras did not take much part in political discussions, though when he spoke he was equally fluent in the French or the English language. He took a considerable part in the work of the committees, and he enjoyed close friendships with members on all sides of the house. Few members have been more zealous in the manner in which they have sought to serve the interests of their constituents, and it is not surprising the electors of Wright county gave to their representative the increasing measure of confidence which Mr. Perras enjoyed. I know that members of the Liberal party will greatly deplore his loss, for both in and out of parliament he was a loyal advocate of the party's principles. To me he was always a loyal supporter and a true friend. May I say that, irrespective of party, I am sure his passing will be deeply felt by hon. members generally.

Only a few days had elapsed after Mr. Perras' death when word was received of the

death of the Hon. Peter Veniot, a former colleague in the government, and one who was a very close personal friend. Mr. Veniot's death cannot be said to have been altogether unexpected. All will recall how during the last session, despite great pain at times, suffering as he did from a malady which was incurable, and which he must have known to be so, he continued to keep his place at his desk and to participate in the debates in this house. He did so until, no longer able to bear the strain, he was removed to a hospital in Montreal, and subsequently to his home in Bathurst, where very soon he had to give up all thought of further activity in public affairs. His courage was a very part of him, and was nowhere better exemplified than in the brave and patient manner in which he faced death. It was on July 6 that at the age of 72 Mr. Veniot passed away in his home at Bathurst, New Brunswick, the town which for some forty years had been the centre of his personal, business and political activities.

I hardly need to review Mr. Veniot's public career. It was a distinguished career well known to hon. members of this house and scarcely less so to citizens of Canada generally; for he had been a minister in the government of his province—Minister of Public Works—and also premier of the province of New Brunswick; and for some years he was Postmaster General in the government of Canada. It might, however, be well to recall that Mr. Veniot was for the most part a self-educated and self-made man. He was one of the few remaining members of parliament whose birth anteceded the date of confederation, he having been born at Richibucto in 1863. His early education was obtained at the Pictou Academy, Nova Scotia. His first association with public affairs came as owner and editor of an Acadian weekly newspaper in the maritimes. He was elected to the New Brunswick legislature in 1894. After a few years in the legislature he became collector of customs at Bathurst, which position he occupied for a little over ten years. It was in 1917 that he became Minister of Public Works in the government of New Brunswick, and from that time on until the end of his life he was continuously in the legislature or parliament.

Mr. Veniot's personal characteristics will be much in the minds of all who are present here. Outstanding, as I have already said, was his courage and, born of deep conviction, the fearlessness with which at all times he was prepared to express his views. He belonged to the old school of political fighters who rather enjoy the rough and tumble of politics. He was one of the most vigorous in party contests. At times he was given to striking hard blows, but he was always equally prepared to receive them. He did not, however, cherish bitter feelings towards his opponents. As an administrator he was most industrious and efficient. He worked tirelessly in whatever office he held.

With Mr. Veniot I personally enjoyed a very close association, and I confess that his passing has left a blank in my life. When it came to the formation of the present ministry, a year or two ago, it was a source of disappointment both to him and to myself that we were each obliged to recognize that having passed the age of three score years and ten, with health somewhat impaired, it seemed inadvisable for him, either in his own interest or in that of the public, again to attempt to assume the onerous responsibilities of a portfolio. However, his disappointment in that regard served only to bring out the finer side of his nature. I am sure that all my followers will agree that in the assiduous manner in which he continued to fight its battles no member of the party could have been more chivalrous to the party as a whole. Certainly I can say that no supporter was ever more loyal to his leader to the end of his days than was Peter Veniot. It was these qualities of true worth which so greatly endeared him to all his colleagues.

As I think of how Mr. Veniot's name will be remembered in this country, I feel that it will always be associated with the qualities of industry, of integrity, and of fidelity. It is very much to his credit that throughout a life of public service which extended over almost half a century he gave almost all of his time to public affairs, often at considerable sacrifice of his own private interests. As the best of all legacies he bequeathed to his family an honoured name, and to his country an honourable tradition of public service. Perhaps as fine a tribute as any that could be paid his memory was that expressed by the people of Gloucester, whose interests in the legislature and in parliament he had served for so long a time, when being called upon to choose a successor they selected Doctor Veniot, his eldest son, one of six sons, and returned him to this House of Commons by acclamation.

May I say to Doctor Veniot, knowing his father as I did, I am sure that nothing could have meant more to his father or could mean more to his father's memory than to have one of his sons, and in particular his eldest son, continue unbroken the tradition of public service which has come to be associated with the name he bears.

Right Hon. Sir GEORGE PERLEY (Argenteuil): On behalf of the opposition and those who sit around me I wish to join with the Prime Minister (Mr. Mackenzie King) in expressing regret at the death of these two friends of ours who have passed away since the last session, and I also wish to express the sympathy of the opposition with the government in the loss of two of their loyal supporters.

As a matter of fact the life of a member of parliament is a pretty strenuous one, more so than that of an ordinary individual, and that is the reason why we find every year there are those who in the interval between sessions have passed away and whose memory we wish to honour by some words of appreciation.

Mr. Perras, as member for Wright, was born across the river in Hull. He lived most of his life at Gracefield up the Gatineau river, and one thing I had in common with him was the fact that he was in the lumber business, which, long ago, before I entered public life, was also my work. Mr. Perras was mayor of Gracefield for many years, and I believe was successful in carrying out the work of that office. He was also warden of the county, and we all know the responsibilities which that office entails.

I did not know Mr. Perras very well, but some of my relatives lived next door to him in this city and they described him to me as a good neighbour. I do not know how one can say anything better about a man than that those who lived beside him considered him a good neighbour. He died a comparatively young man, at the age of only sixty. He was a regular attendant at the sessions of this house. It is quite true, as the Prime Minister has said, that he did not take very much part in debate, but he was careful in his work and diligent in looking after the wants of his constituents, and he has left behind him a name of which his relatives may well be proud.

Mr. Veniot was an older man in point of years, and one who, as the Prime Minister has said, had given much of his life to public service. According to the records he first started some sixty years ago, as secretary of the school board. He became a member of the provincial legislature, afterwards premier of his own province, eventually a member of this house, and he was appointed by the Liberal administration in 1926 as Postmaster General of Canada. In other words, Mr. Veniot's career was a distinguished one, and I join with everything the Prime Minister has said in that regard and in the expression of sympathy to the family he has left behind.

Mr. Veniot was a very worthy representative of the Acadian race, and when he was in his prime he was a doughty fighter, an opponent strenuous in debate. During the last year or two he had not been well, but I feel sure, although I never heard him on the platform, that in elections he must have been an effective debater. At the same time Mr. Veniot was of a very kindly disposition; I always found him so. When he had his political armour off he was a cheery, pleasant man to meet and to do business with. I think we may take a pattern from Mr. Veniot's life. There is no position which is not open to anyone with the ability and the energy to take advantage of the opportunities afforded in this country. My opinion has always been that we cannot expect democracy, such as we know it, with universal suffrage, to survive unless everyone is willing to render public service according to his means, his ability and his position. I do not care whether it be for municipal purposes, in connection with charitable organizations, or in either the dominion or the provincial field; some service everyone ought to render, and I have always felt it to be the duty of everyone, in whatever position he may happen to be placed, to do what he can for the general community.

And so, Mr. Speaker, we all regret very much the death of these two gentlemen, and I would say here that this House of Commons is the poorer for their passing. I join with the Prime Minister in requesting, sir, that you express to their families the sympathy of this house in the great loss they have sustained.

Mr. J. H. BLACKMORE (Lethbridge): I should like to express on behalf of the social credit members our endorsation of the words of sympathy which have been expressed. We were not in the house long enough to learn to know these gentlemen, but what we have heard has led us to believe that they were men of outstanding character, devoted to the public service. We rejoice therefore in the record of their lives and wish to join with the members of the older parties in extending to their memories honour and to their bereaved ones our sincere sympathy.

Hon. J. E. MICHAUD (Minister of Fisheries) (Translation): Mr. Speaker, I would be failing in my duty, and almost a filial duty, if I did not second the laudatory remarks which have just been uttered with regard to one of our colleagues, the late Hon. Peter Veniot, former minister and representative of the province of New Brunswick in the dominion government.

Besides his relatives and those very close to him, nobody of this present generation has perhaps been more intimately connected with the late Hon. Mr. Veniot than I happened to be during the last twenty-five years. In 1912, I had the honour of being chosen to assist him in his capacity of organizer of the political party to which we both had pledged our allegiance, in New Brunswick. In 1917, I sat with him in the New Brunswick legislature; in 1921, I became his colleague in the government of that province; from 1923 to 1925, I served under him in the same government; in 1934, again I became his colleague in the House of Commons, and finally, in 1935, I succeeded him in the dominion government as the representative of the province of New Brunswick.

A few moments ago, the right hon. Prime Minister (Mr. Mackenzie King) said that the main characteristic of that worthy colleague of ours was his courage, and if I take the liberty of making these few remarks in my own language which was also the mother tongue of the late Mr. Veniot, it is in order to point out the spirit with which he made it his duty to regain that very French language which was his own, in spite of his environment and the fact that he had to acquire his primary education in a province where he could not learn the French language.

At the age of twenty-one years Hon. Mr. Veniot, who wished to devote himself to the social and economic re-establishment of his Acadian compatriots, realized that it was necessary for him to recover his mother tongue, and although he was compelled to fight for a living and to learn a trade, he devoted himself to the study of the French language and learned it sufficiently well to become the undisputed leader of his Acadian fellow citizens during the last forty years of his life.

Hon. Mr. Veniot was a patriot in the fullest acceptation of the word; he was truly a Canadian. He had the honour of being prime minister of his province and during the few years that he led the government of New Brunswick it may be said that the impression which he made on public affairs in that province was all to his credit. He promoted primary education, he organized technical schools, he initiated the Workmen's Compensation Act, and also legislation with regard to health, roads, hydro electric services, in a word everything that could make for the economic and social revival of those whom he was leading. He had a firm will, and his conception of duty did not stop at sacrifice. He well deserves to have his memory honoured by his own Acadian compatriots as well as by his fellow citizens in Canada, that larger homeland which he considered as his own.

Mr. Speaker, I deem it a great privilege to associate myself with those, who a few moments ago, spoke so highly of him, and to say how much we owe to that great Canadian who will surely rank some time in the future among the men who have done much for their country.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker, perhaps it is almost unnecessary to say that hon. members in this section of the house desire to join with other hon. members in paying our respects to the memory of those who have passed from us, and expressing our sympathy with the immediate friends and relatives.

BUSINESS OF THE HOUSE

ACCESSION OF KING GEORGE VI—DEBATE ON SPECIAL ORDER

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, before the orders of the day are called, may I say a word with reference to the appearance on the order paper of the special order in the following terms:

> That an humble address be presented to His Majesty King George VI, extending the greetings of the members of this house upon His Majesty's accession to the throne, and conveying to His Majesty and to Her Majesty the Queen the assurance of their loyalty and support.

Hon. members will recall that yesterday when I asked for unanimous consent to proceed with the resolution to-day the hon. member for Winnipeg North Centre (Mr. Woodsworth) took exception to my so doing. After what I said in reply to the hon. member I thought he had agreed to allow the motion to be made, but he told me after adjournment last night that you, Mr. Speaker, had misunderstood his intention in the matter, and that in reality he intended to press his objection. I mentioned to the member for Winnipeg North Centre that I thought hon. members generally believed he had consented to the order being proceeded with. Moreover I drew his attention to the fact that if we did not proceed to-day with the resolution we could not deal with it until after the debate on the address in reply to the speech from the throne has taken place, because of the house having agreed to give it precedence on Monday. I pointed out, further, that if the resolution were not proceeded with until after we had discussed the bill respecting the law touching the succession, it might be some time

before it could be adopted. I expressed to him the hope that he would not offer further objection. He has stated to me frankly that he has no desire to delay the motion, but that he feels the point he has raised is one which should be strongly taken; that in bringing forward a resolution expressing loyalty to the new king before disposing of a bill respecting succession the government is not proceeding logically.

My hon. friend has said to me that while agreeable to our proceeding this afternoon, he may nevertheless find it necessary to say something to the government by way of criticism of its action in having consented to the enactment by the parliament of Westminster of the abdication bill. If on this resolution the hon. member for Winnipeg North Centre should desire to exercise some latitude in criticizing the government—while he may not wish to refrain from criticizing the government, I believe he does not desire particularly to do so on this resolution—I am sure the house will be tolerant of his attitude in view of an understanding reached between the hon. member and myself last night, subject of course to the approval of all hon. members, which would permit consideration of the resolution this afternoon.

ACCESSION OF KING GEORGE VI

ADDRESS TO HIS MAJESTY CONVEYING GREETINGS AND ASSURANCES OF LOYALTY AND SUPPORT

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

That an humble address be presented to His Majesty King George VI, extending the greetings of the members of this house upon His Majesty's accession to the throne, and conveying to His Majesty and to Her Majesty the Queen the assurance of their loyalty and support.

He said: Mr. Speaker, my purpose in rising is to ask hon. members to unite in a resolution of confidence and good will to our new king upon his accession to the throne, and to express our loyalty and support to His Majesty King George VI and Her Majesty Queen Elizabeth.

It is not my intention this afternoon to say anything about the circumstances which led to the accession to the throne of King George VI, beyond saying that they are without precedent in British history. May I point out, however, that they serve to reveal clearly the double foundation on which, throughout the British commonwealth of nations, rests the essential relationship of the crown and the people, namely, on the part of the crown, consecration to all that is highest and best in the well being of a people, and on the part of the people, loyalty to the crown, as a symbol of the sum and substance of all that is most cherished in the collective life of a nation or a people. In words of unmistakable sincerity, His Majesty King George VI has given assurance of his desire and of the desire of the queen to consecrate their lives for all time to the service of the people.

I can not do better than to read to this house the message sent by King George VI to the two houses of parliament at Westminster a day or two after His Majesty's accession to the throne. The message, under the signature "George R.I.," is as follows:

I have succeeded to the throne in circumstances which are without precedent and at a moment of great personal distress, but I am resolved to do my duty and I am sustained by the knowledge that I am supported by widespread good will, and sympathy from all my subjects, here, and throughout the world.

It will be my constant endeavour, with God's help and supported by my dear wife, to uphold the honour of the realm, and promote the happiness of my peoples.

This gracious message, which was presented to parliament on December 14, was supplemented by another message which was broadcast, to the empire, at the early dawn of the new year. The king's new year greeting to his peoples in all parts of the empire was in these words:

In this first New Year's day of my reign I send all the peoples of the empire my warmest wishes for their welfare and happiness.

In succeeding to the throne, I follow a father who had won for himself an abiding place in the hearts of his peoples, and a brother whose brilliant qualities gave promise of another historic reign. His reign was cut short in circumstances upon which, from their very sadness, none of us would wish to dwell.

I realize the full responsibilities of my noble heritage. I shoulder them with all the more confidence in the knowledge that the Queen, and my mother, Queen Mary, are at my side.

Throughout my life it will be my constant endeavour to strengthen the foundations of mutual trust and affection, on which relations between the sovereign and people of the British Empire so happily rest. I ask your help toward fulfilment of this purpose, and I know that I do not ask in vain.

In this deeply moving message, and from what we know in other ways of the character of our new king, we are able to discern in him one

> Who comprehends his trust and to the same
> Keeps faithful with a singleness of aim.

There could be no surer guarantee of the extent to which King George VI may be expected to meet the great responsibilities of his reign than the reverence which he has for the memory of his father, his determination to follow in his father's footsteps, of whom it

may truly be said there never was a better king, and the similarity, in many particulars, of their dispositions and lives.

It is remarkable that in so many ways their lives have been so alike. King George V, like King George VI was a second son. The early part of the life of each was spent in association with the navy; and both came to the throne in circumstances which were wholly unexpected. As I have said, in disposition the present king is very like his father, and those qualities which made his father beloved by his people will equally make the present king beloved by them as well. There is that quality of natural simplicity and dislike of what is ostentatious, the desire to be unobtrusive in his ways, the enjoyment of the simple and wholesome things of life; the love of home; the joys of country life; a dignified tradition of comradeship and human understanding, and a fine sense of duty and obligation.

Like his father the present king has been singularly fortunate in his happy family life. The lives of King George VI, of his queen and of their children, are almost as familiar to all in this country as they are to the people of England.

In sharing the great responsibilities of the throne, Queen Elizabeth, herself a descendant of early Scottish kings, promises to be to King George VI all that Queen Mary was to King George V. Already Queen Elizabeth and the little Princesses Elizabeth and Margaret Rose, have won an abiding place in the hearts of the people.

In one further particular His Majesty is greatly blessed. He continues to enjoy the loving tenderness and sure guidance of a mother to whom he has been greatly devoted, and who, I believe, among women is the most honoured and most beloved in the world to-day.

It is well, Mr. Speaker, that all these things are so because never before has a king ascended the throne at a time as critical in the affairs of the world as the present. Never before has there been thrust on a pair of young shoulders responsibilities wider and weightier than those which rest upon the shoulders of the present king.

Our new king has given us his assurance, in no uncertain terms, that he will seek to do his part. Already he has accepted his responsibilities in a dignified and courageous manner. It remains for us to give our assurance that in the great work of government we will do our part. Therefore I am glad to be able to avail myself of this, the earliest opportunity, to bring forward in this house a resolution expressive of our confidence, our good will, our loyalty and our support. It will, I know, meet with the unanimous acceptance of members of this house. In presenting the resolution I am proud to be joined by my right hon. friend, the Acting Leader of the Opposition (Sir George Perley).

I beg to move, seconded by Sir George Perley:

That an humble address be presented to His Majesty the King in the following words:

To The King's Most Excellent Majesty:

Most Gracious Sovereign:

We, the members of the House of Commons of Canada, in parliament assembled, desire respectfully to extend our greetings upon Your Majesty's accession to the throne, and to convey to Your Majesty and to Her Majesty the Queen, the assurance of our united loyalty and support.

Your Majesty's gracious New Year's message, sending warmest wishes for the welfare and happiness of your peoples, and dedicating yourself and the queen to their service, has been deeply appreciated by Your Majesty's subjects in Canada in common with those of other parts of the British Empire. We believe that, under the blessing of Divine Providence, Your Majesty will be vouchsafed guidance and strength to meet the responsibilities of your noble heritage, and to fulfil your purpose to strengthen the foundations of mutual trust and affection between the sovereign and his people.

We pray that, amid the confusions of the world, and the uncertainties of the times, Your Majesty's throne may be established in righteousness; that Your Majesty's counsellors may be endowed with wisdom; and that all endeavours of Your Majesty's reign may be directed to the well-governing of your peoples, the preservation of freedom, and the advancement of unity and peace.

Right Hon. Sir GEORGE PERLEY (Argenteuil): Mr. Speaker, nothing could give me greater pleasure than the honour of seconding a resolution of this kind, an address of loyalty to His Majesty, King George VI. The Prime Minister (Mr. Mackenzie King) has moved the resolution in felicitous terms and we associate ourselves with his expressions of loyalty and devotion to the crown. From his earliest years the present king, as Prince Albert, was brought up and trained with the idea in mind that he might some day succeed to the throne, and he was taught the duty and privilege of service. At the outbreak of the great war he was serving in the Royal Navy, and he was present at the battle of Jutland. While still a young man he began to take part in public functions as a member of the royal family. My position as High Commissioner for Canada gave me the privilege of meeting Prince Albert several times during our stay in London, and I formed a high opinion of his ability and his keen sense of duty.

I was present officially when he was given the freedom of the city of London at the historic Guild Hall, where he made his first public speech of any importance. We were also at Westminster Abbey when the prince as Duke of York married the charming Scotch girl, and it was a delight to witness the popular enthusiasm on that occasion.

Since that time both the duke and the duchess have carried out the many duties that fall to the lot of members of the royal family in such a way that they have endeared themselves to everyone and have given an example of happy family life such as we all admire and respect.

With this background His Majesty comes to the throne well qualified by training and heredity to bear his heavy burden. He is endowed with wisdom and understanding, and is thoroughly conversant with the constitutional form of government of the British Empire or the British commonwealth of nations of which we are all so proud. We are a free people, and a great and very real democracy under a constitutional monarch. British subjects in every part of the world have shown conclusively that they are devoted to the crown under all circumstances. In many ways His Majesty is like his beloved father, King George V, and I believe that under his wise guidance and with the support of his charming consort the prestige of the monarchy and the proud loyalty of the people for their king will be increased as the years roll on.

To quote from the final words of the present resolution, we pray "that all endeavours of Your Majesty's reign may be directed to the well-governing of your peoples, the preservation of freedom, and the advancement of unity and peace."

We on this side join whole-heartedly in extending to His Majesty and to Her Gracious Majesty Queen Elizabeth our respectful greetings and our assurance of loyalty and support. May I add the sincere wish that their majesties may be blessed with long life, happiness and prosperity. "God save the King."

Hon. ERNEST LAPOINTE (Minister of Justice) (Translation): Mr. Speaker, I highly appreciate the privilege which is mine of seconding the resolution moved by the right hon. the Prime Minister (Mr. Mackenzie King) and of tendering to His Majesty King George VI, on the memorable occasion of his accession to the throne, the respect and good wishes of my French speaking fellow-citizens.

It has been said by a foreign observer that the association of the nations of the Commonwealth has just given to the world, which has witnessed the downfall of so many empires and the disappearance of so many historic institutions, a great and comforting spectacle that of all its peoples uniting in a common sentiment of loyalty to the crown, in which they respect the symbol of their unity and of their glorious past.

Now that we have achieved the astonishing political progress of conciliating monarchy and democracy, the sovereign no longer directly exercises power, but he continues to be its living emblem.

The United Kingdom and the Dominions, conscious of the providential mission which is theirs of working for the maintenance of stability, order and peace throughout the world, have, in admirable unison, recognized in the proclamation of their new monarch a guarantee of their continuity and of the safeguard of the best British traditions. The Duke of York's striking physical and moral resemblance to his father has been noted with satisfaction in recent years. Schooled like him in the hard and wholesome discipline of a sailor's life, he is moreover endowed with the high moral qualities and absolute devotion to duty that earned for George V the loyalty and affection of his subjects.

After serving his country in the navy and in the air force during the war, our monarch has devoted himself in times of peace to the study of social and industrial questions and to the establishment of closer bonds between social classes. All those who have had the privilege of knowing his distinguished personality, of appreciating the simple and manly dignity of his character, are sure that he fully realizes his responsibilities and that he will scrupulously abide by the rules and duties of constitutional monarchy.

Indeed, in his first official statement to the privy council, the King affirmed his intention strictly to respect the principles of our form of government and his resolve to consecrate himself, before and above all else, to the welfare of his subjects.

May I be permitted to express to the King the assurance of our loyalty and of our wish to see him devote himself to the good government of his people and to the preservation of liberty and of peace.

We wish also to give expression to our respect for Her Majesty the Queen who, by her noble qualities of heart and mind, seems naturally destined to second the devotion of her royal husband.

In conclusion, I wish to recall the words of the official proclamation of His Excellency the Governor General of Canada and to repeat that we beseech "God by whom all

kings and queens do reign to bless the Royal Prince George the Sixth with long and happy years to reign over us."

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker, I do not rise to voice any objection to the words of the address, but as I intimated yesterday I protest against the government introducing an address at this stage of the proceedings. King George VI may be king de facto, but as I see the matter he is not king de jure until this parliament enacts appropriate legislation.

I am really not concerned as to what person occupies the throne, but I am concerned with maintaining the rights of parliament, and it is strange that I should have to take this attitude especially with the present Prime Minister (Mr. Mackenzie King) in his seat. It is undoubtedly regrettable that matters of procedure and criticisms of government policy should be mixed up with a formal address to His Majesty, but as I suggested yesterday the Prime Minister might have avoided this by deferring his motion. The bill which the Prime Minister has introduced should in my judgment have preceded this address; otherwise the debate on that bill loses all reality. The Prime Minister stated yesterday that the bill referred particularly to the question of succession in the future, but surely when King Edward VIII was placed by Mr. Baldwin in the position where he had to make an important choice, and he chose abdication—

Mr. MACKENZIE KING: Might I interrupt my hon. friend? I do not think he intends to misrepresent Mr. Baldwin's position, but I have no understanding that Mr. Baldwin placed the former king in any such position. All that I have heard, and all that I have read of dispatches, would indicate that His former Majesty had himself asked certain questions of Mr. Baldwin which Mr. Baldwin answered. I do not think that in any way did Mr. Baldwin seek to embarrass His former Majesty.

Some hon. MEMBERS: Hear, hear.

Mr. WOODSWORTH: Mr. Speaker, I refer to Mr. Baldwin's speech in the House of Commons at Westminster:

> I saw the king on Monday, November 16, and I began by giving him my view of a possible marriage. I told him that I did not think that a particular marriage was one that would receive the approbation of the country. That marriage would have involved the lady becoming queen. I did tell His Majesty once that I might be a remnant of the old Victorians, but that my worst enemy would not say of me that I did not know what the reaction of the English people would be to any particular course of action, and I told him that so far as they went I was certain that that would be impracticable. . . .
>
> Then His Majesty said to me—I have his permission to state this—that he wanted to tell me something that he had long wanted to tell me. He said: "I am going to marry Mrs. Simpson, and I am prepared to go."

It is to that statement I refer.

Mr. DUPUIS: What is the hon. member quoting from?

Mr. WOODSWORTH: That statement you will find in Mr. Baldwin's speech in the House of Commons.

Mr. DUPUIS: But in what publication?

Mr. WOODSWORTH: I just happen to be quoting from a number of documents that are included in the January issue of the Nineteenth Century magazine.

Some hon. MEMBERS: Oh.

Mr. WOODSWORTH: Mr. Speaker, I think I am quite in order.

Mr. MACKENZIE KING: May I say to my hon. friend that I imagine the document he is quoting from is not the full text or he would probably have given it. I think the Hansard of the House of Commons at Westminster will show that prior to the part my hon. friend has just read Mr. Baldwin had said that His Majesty had raised this question with Mr. Baldwin first, asking Mr. Baldwin what in his opinion would be the result of an endeavour to have parliament enact a morganatic marriage act.

Mr. WOODSWORTH: My point, Mr. Speaker, is this, that when the king was placed in that position, or found himself in that position, the succession was at that time altered. That is all I want to emphasize at this time.

It seems to me that we as members should not have been required to take the oath of allegiance before taking our seats in this house and voting on this question. The other day we received a note from the clerk of the house—I have no doubt he had been instructed by the government—

Mr. MACKENZIE KING: May I say to my hon. friend that the government has not sought to instruct the clerk, but I believe the clerk has tried to perform his duty as he believed it should be performed.

Mr. WOODSWORTH: The note said that an hon. member cannot sit in the house until he has taken and subscribed to the oath as required by the British North America Act. We had already taken the oath a year ago and already have seats in parliament. If on

the demise of the throne parliament can carry on, I submit that so also can a member retain his seat. But I have no desire to make a scene, and further than that I do not think the matter is of sufficient importance—

Some hon. MEMBERS: Hear, hear.

Mr. WOODSWORTH: —for me to take the action that Mr. Bradlaugh did in England a good many years ago.

I would point out that this house has a very slight knowledge of what actually took place in Great Britain. We have had to depend very largely upon newspaper accounts and radio messages. I have a notice on the order paper asking for the production of papers relative to the abdication of King Edward VIII. These should be before the house, I submit, before the bill is discussed, and the bill should be passed before the address is moved. It is true that the Prime Minister has not absolutely refused to bring down the papers, but he said yesterday that he had consulted with Mr. Baldwin and is consulting with the prime ministers of other dominions to see what they are going to do. I hope the time will come before very long when the Prime Minister of Canada will decide these matters on their merits—

Mr. MACKENZIE KING: May I say to my hon. friend that correspondence is two-sided, and one is not at liberty, where correspondence is confidential, to bring down correspondence unless he has the consent of the other party to the correspondence.

Mr. WOODSWORTH: Well, I submit that when matters of great concern are at stake the members of parliament ought not to be expected to act without an intelligent knowledge of the grounds on which action is to be taken. I have no desire in this matter to do any muck-raking, but the people of this country have the right to know the fundamental facts of the case. Why all this haste and secrecy? Was Mr. Baldwin's action, after all, caused by pressure from the dominions? Whose statement are we to accept, that of Mr. Baldwin or that of our own Prime Minister? I think such questions are important.

I have here a cartoon by Low which represents a procession secretly in the dead of night in which the throne and the demised crown are being transferred under a policy of "hush," "silence" and "mystery," while the press and public opinion have been gagged. It seems to me that our Prime Minister is quite willing to join in that procession.

The government have introduced this bill. If the action of the government on December 10 was constitutional, surely further legislation is unnecessary. Within a few hours of the Prime Minister's statement of December 10 I wired him saying—

As a member of parliament pledged to loyalty to King Edward VIII—

As we all were at that time.

—I protest against the usurpation by the cabinet of the powers of parliament.

That, I believe, was before the order in council was passed.

There are two questions that persist in my mind. First, why should our Prime Minister, in connivance with Mr. Baldwin, be in a position to absolve me and other members from our declaration of loyalty to King Edward VIII; and, second, why should the Liberal party be in a position to decide who is to be king of the Canadian people? I am not indulging in captious criticism; I am simply trying to emphasize the importance of the precedent which has been and is being set. The Prime Minister relies, I suppose, upon a fait accompli, but in bringing this about he has deliberately set aside an important statute and acted contrary to a constitutional convention. Doubtless the Prime Minister was in a difficult position, I concede that; but the cost of pleasing the British government has been altogether too great.

Mr. MACKENZIE KING: I do not wish to interrupt, but I must take exception to my hon. friend's statement. There was no question of trying to please the British government. When we come to the measure itself I think I shall be able to show the house that the government's action in every particular complied with the Statute of Westminster and was satisfactory.

Mr. WOODSWORTH: I can only use my own judgment, but it seems to me that this action has made the Statute of Westminster a farce. While in Winnipeg the Native Sons were celebrating the anniversary of the passing of the Westminster act, a Liberal prime minister of Canada was lending himself to rubber-stamping a decision of the government of the United Kingdom. Further, so far as Canada is concerned we have once more gone back to government by order in council, thus setting a most dangerous precedent. If the Prime Minister can choose our king he can declare war or commit this country to any policy of less importance than the selection of the head of the state.

It seems to me that the Prime Minister has rather shifted his ground from the position taken in the public statement he gave to the

Canadian people a few weeks ago. The Prime Minister explains his position with what Mr. Baldwin might call "appalling frankness." He refers to the Westminster act, from which I read the pertinent paragraph:

> And whereas it is meet and proper to set out by way of preamble to this act that, inasmuch as the crown is the symbol of the free association of the members of the British commonwealth of nations, and as they are united by a common allegiance to the crown, it would be in accord with the established constitutional position of all the members of the commonwealth in relation to one another that any alteration in the law touching the succession to the throne or the royal style and titles shall hereafter require the assent as well of the parliaments of all the dominions as of the parliament of the United Kingdom.

In his statement to the public the Prime Minister admits that—

> The action involved in giving effect to His Majesty's instrument of abdication constitutes such an alteration.

That is, an alteration in the law touching the succession, which is something that has already been done. If the Prime Minister is correct in the statement he made yesterday, that the bill is not retroactive, then it should be—decidedly it should be, because we cannot pass over a complete change in the occupancy of the throne, putting down one king and setting up another, and assume that parliament has no particular concern with such a proceeding. The Prime Minister attempts to distinguish between "the legal standpoint" and the preservation of the constitutional convention. In maintaining the first he quotes from section 4 of the Statute of Westminster, which deals with procedure:

> No act of parliament of the United Kingdom passed after the commencement of this act shall extend, or be deemed to extend, to a dominion as part of the law of that dominion, unless it is expressly declared in that act that that dominion has requested, and consented to, the enactment thereof.

I understand that some lawyers are prepared to say that what is contained in the preamble does not control the various sections; but this preamble is of a very special nature in that it embodies very clearly and definitely a statement of constitutional convention, a convention concerning which the Expert conference of 1929 said:

> Such conventions take their place among the constitutional principles and doctrines which are in practice regarded as binding and sacred whatever the powers of parliament may in theory be.

In so far as this section refers to any alteration in the law touching the succession to the throne, it is clear that this can be done only by the action of the dominion parliament.

The Prime Minister, however, leaves this attempted but rather nebulous distinction of legal and constitutional and hastens to emphasize the practical aspects of the case. He pointed out in his public statement that the time element enters in. Well, who created the imperative crisis—the king, or Mr. Baldwin, or Mrs. Wallis Simpson, or the American gossips? Surely if the king of the United Kingdom can be distinguished for legal purposes from the King of Canada then the recognition of the King of the United Kingdom as king of Canada can wait until there is time to call parliament. If the selection of the king of Canada is of such minor importance, the question arises: Why a king at all?

Parliament is now in session; it might have been considered that the very first step would be to discuss and settle this matter. Instead of that we are asked to pass a resolution of loyalty to the king. Surely this is not the proper time to introduce an address of that kind; let us do it at the proper time—after the bill is passed.

What is the Prime Minister's conception of keeping a statute? In his address to the public he stated that he will have it—

> —asserted and safeguarded to the greatest practicable extent—

Mark that.

> —consistent with all the circumstances of time and space—

Plenty of latitude there.

> —and with the imperative, practical necessities—

"Practical" again, and the practicability to be judged by Liberal standards.

> —which confronted the government on this unprecedented occasion.

Surely that kind of interpretation could drive a coach and four through any statute!

I would ask the Prime Minister why he adopts one attitude towards the Statute of Westminster, which was put on the statute book only five years ago, and such a different attitude towards the British North America Act, which was put on the statute book seventy years ago. Such an unprecedented situation, declares the Prime Minister, "was not contemplated" when the Statute of Westminster "was drawn and enacted." I ask him, was unemployment on an unprecedented scale contemplated when the British North America Act was drawn and enacted? Was depression on an unprecedented scale contemplated when the British North America Act was drawn and enacted? Were debt burdens, dominion, provincial, municipal and private on an unprecedented scale contemplated when the British North America Act was drawn and enacted? Were great ac-

cumulations of wealth and arbitrary powers of control by the holders thereof on an unprecedented scale contemplated when the British North America Act was drawn and enacted?

Then why does not the Prime Minister recognize the time element in connection with such matters? Why does not the Prime Minister carry out the provisions of the British North America Act "to the greatest practicable extent consistent with all the circumstances of time and space and with the imperative practical necessities" which confront his government and all governments in these rapidly changing days? It looks to me as if the present Prime Minister is prepared to carry out statutes only when it suits him, and that government by orders in council seems to him to be quite justifiable when a Liberal government is in office.

I do not intend to discuss the matter at any greater length on this occasion; it is not in order to say anything with respect to the terms of the bill. What further I have to say will be reserved until the bill is under discussion. At this time I wish merely to lodge a protest against the action of the government in what seems to me to be an effort to railroad through a matter of great importance.

Mr. POULIOT: Does the Statute of Westminster provide for a king for Canada other than the king of the United Kingdom?

Mr. WOODSWORTH: No, but it does definitely provide that there shall be no new king nor shall anything be done touching the succession without the consent of the governments of the dominions.

Mr. POULIOT: If it is the government it is not the parliament.

Mr. WOODSWORTH: The parliaments, of course I should have said.

Mr. POULIOT: Oh.

Mr. J. H. BLACKMORE (Lethbridge): Scarcely a year ago it was my privilege to express devotion to His former Majesty King Edward VIII. To him British peoples everywhere had given warm and spontaneous love and great hopes were entertained for our future under him. His passing is now a mournful memory. After all, however, the British union of peoples is greater than any man. Men may come and go, but the British race must go on. Let us then turn from the past to the future. King George VI has merited our admiration and our loyalty. When I remember the tireless pains with which he has mastered his handicaps I am confident that under God he will be able to overcome, with us, the grave difficulties which everywhere beset our way. I take pleasure then in joining with my colleagues in this parliament in saying, "God save the King."

[Mr. Woodsworth.]

Motion agreed to.

Mr. MACKENZIE KING: I think we should sing the national anthem.

The members rose and joined in singing the national anthem.

On motion of Mr. Mackenzie King the house adjourned at 4.30 p.m.

Monday, January 18, 1937

The house met at three o'clock.

PRECIOUS METALS MARKING ACT

Hon. NORMAN McL. ROGERS (Acting Minister of Trade and Commerce) moved for leave to introduce Bill No. 2, to amend the Precious Metals Marking Act, 1928.

Motion agreed to and bill read the first time.

CANADIAN AND BRITISH INSURANCE COMPANIES ACT, 1932

Hon. CHARLES A. DUNNING (Minister of Finance) moved for leave to introduce Bill No. 3, to amend the Canadian and British Insurance Companies Act, 1932.

Mr. BENNETT: Explain.

Mr. DUNNING: The amendment is a minor one, affecting small companies incorporated by the provinces in relation to the deposits which they are called upon to make with the superintendent of insurance.

Motion agreed to and bill read the first time.

WEIGHTS AND MEASURES ACT

Hon. NORMAN McL. ROGERS (Acting Minister of Trade and Commerce) moved for leave to introduce Bill No. 4, to amend the Weights and Measures Act.

Mr. BENNETT: Explain.

Mr. ROGERS: It is the intention of the amendment to settle some confusion which has arisen as to the jurisdiction of a police or stipendiary magistrate to hear cases under the Weights and Measures Act. It has been deemed advisable to add to subsection (b) of section 82 the words underlined in section 1 of the bill:

a police magistrate, a stipendiary magistrate, or any person having the power or authority of two or more justices of the peace, having jurisdiction in such district, county or place.

The amendment is in the exact words of the interpretation section of the criminal code.

Motion agreed to and bill read the first time.

MILITIA PENSION ACT

Hon. IAN MACKENZIE (Minister of National Defence) moved for leave to introduce Bill No. 5, to amend the Militia Pension Act.

Some hon. MEMBERS: Explain.

Mr. MACKENZIE (Vancouver): The intention of the amendment is to withdraw section 32 of the act and enact a new section 41 so that payments of arrears shall be made in monthly instalments, the previous custom of making payments in lump sums in advance being eliminated.

Motion agreed to and bill read the first time.

CRIMINAL CODE

Mr. J. K. BLAIR (Wellington North): moved for leave to introduce Bill No. 6, to amend the criminal code (death penalty).

Motion agreed to and bill read the first time.

CUBAN DUTY ON SEED POTATOES

On the orders of the day:

Mr. A. J. BROOKS (Royal): I should like to direct a question to the acting Minister of Trade and Commerce (Mr. Rogers) respecting the recent duty of $10 per barrel imposed by the Cuban government upon Canadian certified seed potatoes. This duty, as the government realizes, is absolutely prohibitive and is a serious blow to the exporters of seed potatoes in the maritimes. I should like to know whether the government has made any representations to the Cuban government with the object of having the duty either removed or lowered.

Hon. NORMAN McL. ROGERS (Acting Minister of Trade and Commerce): I had not received notice of my hon. friend's intention to ask this question. I shall be glad to secure the information if possible and give it to him at the earliest opportunity.

GOVERNOR GENERAL'S SPEECH

ADDRESS IN REPLY, MOVED BY MR. N. A. MCLARTY AND SECONDED BY MR. C. J. VENIOT

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

Mr. N. A. McLARTY (Essex West) moved:

That the following address be presented to His Excellency the Governor General, to offer 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: namely,—

To His Excellency the Right Honourable Baron Tweedsmuir of Elsfield, Knight Grand Cross of the Most Distinguished Order of Saint Michael and Saint George, Member of the Order of the Companions of Honour, Governor General and Commander in Chief of the Dominion of Canada.

May it Please Your Excellency:

We, His Majesty's most dutiful and loyal subjects, the House of Commons of Canada, in parliament assembled, beg leave to offer our humble thanks to Your Excellency for the gracious speech which Your Excellency has addressed to both houses of parliament.

He said: The speech from the throne, sir, quite naturally makes reference to the advent of His Majesty to the throne of the British commonwealth of nations. May I add to these words, so expressive of our deep and abiding loyalty, a few words indicative of our good wishes to our sovereign lord King George VI and to Her gracious Majesty the Queen. May they long be spared to occupy with dignity and grace the throne of this the greatest of all commonwealths since the world began.

I feel, sir, that our thoughts with respect to the monarchy have been most aptly expressed by His Excellency, who two years ago said:

In the last two hundred years, while the throne has lost in definable powers it has gained in significance. It is not only higher than any other human estate but of a different kind from any other, for it is the mystical indivisible centre of national union. It is the point around which coheres the nation's sense of a continuing personality. In any deep stirring of heart, the people turn from the mechanism of government, which is their own handiwork and their servant, to that ancient abiding thing behind the government, which they feel to be a symbol of their best achievement and their future hope.

I should like at this time to express to the right hon. the Prime Minister (Mr. Mackenzie King) my appreciation of the honour which he has conferred upon me in asking me to move this resolution this afternoon. I should like also to assure him and his colleagues that the good people of the constituency of

Essex West, which I have the honour to represent, regard it as a definite recognition of the importance of that industrial portion of Canada.

This is the second occasion on which we have been honoured by an address from His Excellency. At the time of the last address he had been but recently appointed. We knew him, but we knew him much in the same way as he was known wherever the English language is spoken. Since that time he has visited most parts of Canada and has become acquainted with our people. His intellectual curiosity in every activity that comes within its sweep, is, in the height and swiftness of its quality, peculiarly his own. It has already applied itself to the sympathetic understanding of the problems and possibilities of nearly every one of the varied expressions of Canadian effort between the two great seas. It might be fairly said that Peter now knows the lobster industry; John S. Blenkiron could now operate a mine; Andrew Amos could drive a harvester; Dick Hannay could now ride the logs down the river, trap a wolf, put out a forest fire or run a paper mill; and Jacqueline Armine, with her staunch understanding and her reassuring smile, could help any troubled Canadian Adam to see his way through.

I believe I but express the unanimous opinion of this house when I say that the closer that acquaintanceship has become the more His Excellency and his gracious lady have risen in the esteem of the people of Canada.

I deem it a very special privilege to have the opportunity of being the first to welcome back to this country the right hon. the Leader of the Opposition (Mr. Bennett). It is a matter of congratulation not to him alone, or to this house alone, but to Canada, that he returns with his health fully restored and his accustomed force and vigour unabated. Since His Excellency prorogued this house last June the right hon. gentleman has, shall I say, surrounded the globe.

I believe it might be fairly said of him, as it was once said of the great Ulysses:

> Much have I seen and known, cities of men,
> Manners, climates, councils, governments;
> Myself not least but honoured of them all.

May I suggest, sir, that it is a matter for gratification, in which the right hon. gentleman will share, that under the influence and direction of a wise and benign government Canada is rapidly returning to prosperity.

In moving this resolution this afternoon I feel that I have a simpler and more congenial as well as an easier task than fell to the lot of those who have moved similar motions for some years past. I am inclined to think that when they referred to the progress and prosperity of the country they must have felt that they were discussing something hoped for but unseen. There is ample evidence on all sides to-day that we are emerging from the forest of depression. It would be unfair to suggest that the pathway is not obstructed by some entangling underbrush, but at least we have left the forest behind us.

The fact of this returning prosperity is evidenced everywhere. The prices of our primary products are constantly and consistently rising; the basic industry of agriculture, apart from those exigencies of nature which neither man nor government can control, is in a better position to be operated profitably than at any time during the last six years. The pulp and paper industry is producing at an unprecedented rate, and while the price of that commodity has not responded to the general upturn in demand, that can be expected within a reasonable time. The fishing industry is enjoying a better year than it has had for some time. The lumbering industry is pulsating with new life. The mining industry has in the last year contributed more to our national wealth than in any other year in our history. The manufacturing industry, the largest single contributor to our national wealth, contributed last year over $1,400,000,000, the largest since 1929.

And, sir, I believe that the stimulation of our international trade has been the greatest contributory factor in this general uptrend of economic conditions. No matter how critical anyone may be of this government, he will at least admit that they have gone about the business of stimulating that trade with great enthusiasm and high ability. Since their coming into office they have concluded the trade agreement with the United States, they have concluded an agreement with Japan, they have completed a temporary agreement with Germany, they have secured a cancellation of the Soviet order of 1931 prohibiting imports from this country and the chartering of Canadian vessels. It was announced in the speech from the throne that the Minister of Trade and Commerce is now in active negotiations with our sister commonwealths of New Zealand and Australia, and I believe it will be welcome news to this house that negotiations have reached a point where the definite principles underlying the trade agreement with the United Kingdom have been settled and the agreement will be laid before us for consideration before the present session is concluded.

I believe it is no exaggeration to say that never before in the history of Canada has there been such an intensive and well directed drive for the stimulation of our international trade as that made since this government took office.

What has been the result? The figures are so well known to members of this house that I hesitate to repeat them. But briefly, in the first eleven months of 1936 our imports grew from $511,000,000 to $582,000,000, an increase of 13·8 per cent. In the same period our exports grew from $759,000,000 to $928,000,000, an increase of 22·3 per cent, and the highest since 1929.

Now, sir, we shall be reminded that there has been a general upturn in world economic conditions and international trade, and that independently of and apart from anything this government might have done there would inevitably have been an improvement in our trade. There is some point in that argument. But would it not be equally reasonable to suggest that the realization of other countries as well that prosperity can best be brought about, not by damming up, but by opening the channels of trade, had something to do with that general economic upturn?

And, sir, the matter is not so easily disposed of by simply attributing it to a general economic uptrend. It will not be assumed that any international trade treaty will in one year, much less one month, do all the good that its proponents may claim or all the harm that its opponents may prophesy.

But Canada has two agreements which have now been in operation slightly over a year. At the last session of parliament it was announced that an amicable agreement had been arrived at with Japan. At the time it was suggested that the Canadian market would be flooded with Japanese goods. But what has happened? Our exports to Japan have increased by 33 per cent, and in addition our favourable trade balance with Japan has increased from $10,470,000 in 1935 to $13,990,000 in 1936.

The situation in regard to the Canada-United States trade agreement cannot be analyzed quite so simply. In a general way the articles which we export to the United States may be divided into four classes: (1) items not affected by the agreement; (2) items bound free of duty; (3) items bound at a low rate of duty; (4) items subject to the reduction provided in the agreement. To those who suggest that the action of governments has little influence on trade, that as the wind bloweth where it listeth, so trade floweth where it listeth, an analysis of the figures in those four classes is illuminating.

Dealing with each class separately, our exports of items not affected by the agreement increased by only 1·2 per cent. Our exports of items bound free of duty increased by 18·3 per cent. Our exports of items bound at a low rate of duty increased 21·9 per cent, and our exports of items subject to reduction in the rate of duty increased 62·3 per cent. Bearing in mind the wide relative variation in our exports as between articles not affected by the agreement and those on which the reduction was secured, can anyone suggest that the results of that agreement during its first year of operation have not been beneficent?

Then there is another matter arising out of the agreement with the United States. The house will remember that one of the terms of the agreement provided that under certain definite regulations tourists visiting one country from another would be permitted to bring back $100 worth of goods free of duty. At that time apprehension was felt that our imports under this item would be so substantial that, especially at border points, they might be ruinous to the retail trade. In my own constituency, separated as it is from the United States by only a narrow river, and with splendid transriver facilities, that apprehension was necessarily present. But it has been found so far that the fear of harm which might result was greatly exaggerated. And when it is remembered that in the last year 2,700,000 tourists crossed into Canada at the port of Windsor alone, any loss that may have been sustained has I suggest been amply recouped by the increase in the tourist trade.

But, sir, there are two features of our economic uptrend that give cause for apprehension. The first is the condition of the building and construction industry. While there was a slight uptrend in that industry last year, namely three per cent, the amount of that increase is inconsiderable when we remember the severe and precipitous decline which that industry had sustained. It is remarkable that with the general upturn in all our major industries the building and construction industry alone has remained quiescent, like a painted ship upon a painted ocean.

There is another fact that must be clearly faced. While industry has been definitely improving, and while employment is definitely on the increase, the reduction in the number of unemployed and the number on relief has not been anything like proportionate. It is easy to explain this in a casual way by suggesting that a certain proportion of the unemployed are unemployable, or that a certain number come to an employable age

each year. That is quite true, but that is not an ephemeral condition; it is continuous, and must be faced as a definite fact in our economic life.

And, sir, it is to the solution of these two questions that the national employment commission, appointed last May, has been directing its efforts and its energy.

In his address His Excellency refers to the work which has been undertaken as the result of the appointment of that commission. While the powers of that body are advisory it has obviously become an arm of the government in dealing with the most serious difficulty that still faces the government, that of employment. The personnel of the commission was announced last May, less than eight months ago. It was representative not only of the various geographical areas of Canada but also of the different branches of our industry. I believe the members were wisely and well chosen. It would be invidious to mention names, I know, but I would like to congratulate the right hon. Prime Minister (Mr. Mackenzie King) and the Minister of Labour (Mr. Rogers) upon securing the services of Mr. Arthur B. Purvis as chairman of that commission.

In ability and energy Mr. Purvis is unsurpassed in Canada. The sincerity of his purpose is testified to by the fact that, at his own request, his salary was fixed at $1 per year. The company of which he is head I believe has come as close as, if not closer than, any other company in Canada in reaching that goal of making labour and capital co-partners in a common enterprise.

The commission, sir, has already recommended the farm employment plan, and the speech from the throne forecasts that another plan will be presented shortly which, with the cooperation of the provinces, will provide for the establishment of unemployed young people. It has been studying and in due course doubtless will make representations in connection with a long range program calculated to obviate the recurrence of the conditions which we have experienced in the last few years.

As an immediate aid to the building industry it has recommended—and the government has accepted its recommendation—the home improvement plan. That plan, as every member of this house knows, provides that to the extent of $50,000,000 the government will guarantee the lending institutions against loss, to the extent of 15 per cent, where the loans are made for the purpose of enabling the repair, improvement and rehabilitation of homes. It is directed primarily to putting men back to work and to assisting the building trades.

The recommendation of the commission to the government probably was preceded by an investigation as to how a somewhat similar plan, adopted in the United States, had operated. To those who think that a very small stimulus would result from this measure, the results secured in the republic to the south are illuminating. There in June of 1934 President Roosevelt signed what is known as part 1 of the Federal Housing Act, providing for loans for purposes similar to those contemplated under the home improvement plan. In the United States that plan became operative about October of the same year. Up to the end of last month loans had been made under that plan in the United States to the number of 1,326,000, to an aggregate amount in excess of $500,000,000. But, sir, that does not tell the whole story, for there were people who papered and painted and modernized and improved their homes for no other reason than that their neighbours were doing the same thing. The estimate made by the bankers' association of the United States, as to the private investment in repairs, improvements and rehabilitation of homes, was an additional amount of $1,750,000,000.

There were three very definite results of the experiment in the United States. I have referred first to the stimulation given private investment which makes the plan much wider and more effective than the mere announcement of loans totalling $50,000,000 would indicate. The ratio of stimulation in the United States is estimated at three and a half to one.

Another feature is the large percentage of money which finds its way to labour. The estimate of competent American authorities has been that eighty-five per cent of the money so spent finds its way to labour.

The third point, sir, is that it is continuous in its operation. It is not a plan that operates for only a month, six months or a year. May I quote from the bulletin of the federal housing administration, issued in July last, which sums up this idea in the following language:

> Gradually developing from the influence of economic improvement it intensifies and sustains the improvement that caused it.

It can be readily seen, sir, that if the plan operates in Canada as well as it has operated in the United States, bearing in mind also the fact that we enjoy a much lower discount rate under this plan than they have in the United States, it will give a definite and effective stimulus to the building industry.

The commission was kind enough to recommend, and the government was good enough to accept the recommendation, that in the first instance this plan should be put into operation in Essex county. That was appreciated, sir, not only by the members from Essex county but by all those who saw in that gesture definite evidence of the government's desire to help the progress and prosperity of that important part of Canada.

Behind it all is this thought, that added confidence is given by the fact that the government has expressed its willingness to guarantee, even to a limited amount, loans for the purpose of repairing and modernizing the homes of its citizens. After all, sir, one of the primary functions of government is to promote the morale of the people.

There is one other matter mentioned in the speech from the throne which, because of its high humanitarian aspects, I believe will receive the unanimous approval not only of this house but of all the citizens of this country. I refer, sir, to the promised legislation to provide for pensions for the blind at a lower age than seventy years.

I have referred with pride to distinguished men in high places who, by doing their duty well, have helped this country through. May I, from my place here and at this time, pay my highest tribute to the undaunted spirit of the people of Canada, which is triumphing over all resistance—the hundreds of instances of industries carrying on for years at a loss to maintain their employees so that eventually all might survive; the thousands upon thousands of employees who divided their working hours with others and who, when their earnings were down, took barely a living wage so that things might carry on: the all too many tragic thousands who earnestly sought and are still earnestly seeking the opportunity to labour and to earn—I trust their seeking will be over long before the term of this parliament is run; the myriads of persons on the land who, at shrunken prices and with failing yields, in the face of drought and disaster, re-sowed their fields each spring and each spring looked hopefully once more to the skies to send the rain, all with a fortitude quite unsurpassed in any land in times of peace.

It is this stoutness of the heart, this determined integrity of the mind, this "ils ne passeront pas" of the soul, that will conquer all.

> The rains may beat us and the great mists blind us,
> The lightning rend the pine tree on the hill;
> Yet are we strong and yet shall the morning find us
> Children of tempest, all unshaken still.

Mr. J. C. VENIOT (Gloucester) (Translation): The house will doubtless understand the emotion I feel in undertaking the task I have had the honour of being entrusted with. Indeed, I could not but be deeply moved by the recollections of mingled joy and sadness evoked by the words of praise uttered Friday last by the right hon. the Prime Minister and many other hon. colleagues in speaking of the man who was at once my predecessor my father and my closest friend. For these kind and touching words of praise and sympathy I am profoundly grateful. I also thank from the bottom of my heart my honourable colleagues for the most cordial reception extended to me from all sides, without distinction of political parties.

The house will readily understand the delicate position of a member who, after listening to the funeral oration of his distinguished predecessor, is, two days later, called upon to speak for the first time in this parliament the threshold of which he has crossed by passing the tomb of his father, and who every day realizes more and more how serious an undertaking it is to try to replace the man who has just been so highly praised.

I am conscious that I shall never be blessed with the great mental capacity, the experience or the political judgment of the late member for Gloucester, but I shall at least have in common with him my devotion to the service of my country and my fidelity to the party he has so well served for half a century.

It was no doubt in order to pay a last tribute to the man for whom we mourn together that I was chosen to second the address in reply to the speech from the throne. It was also to pay homage to the electors of the county of Gloucester who, ever since the election of my venerable friend Senator Onésiphore Turgeon, have for thirty-six years, without interruption, sent Liberal representatives to the parliament of Canada and who, I hope, will long continue this fine tradition. But it was likewise to do honour to the 200,000 Acadians of the maritime provinces who bear living testimony to the tenacity and vitality of our race, and of which 137,000 are residents of New Brunswick, forming one-third of its population, with 34,000 in my own beautiful county of Gloucester.

I do not intend, Mr. Speaker, to delay by a long speech the more important business of the house. Too frequently have I heard deplored, and with some right, I think, the useless prolonging of certain debates, such as the one we listened to Friday afternoon on the oath of allegiance to the King, to allow myself to fall into the same error at this time when a short session is desired. Indeed it is the

wish of the government and, I venture to say, of the entire deputation, as well as of the Canadian people, to have the session end in time to permit our delegates to take part as they should in the grandiose ceremonies that will attend the coronation of our new sovereign.

The Canadian people join the British Empire in rejoicing at the happy solution of the recent constitutional crisis which ended in the accession to the throne of England of His Majesty George VI. Calm and dignified, fortunate in his family life both as a husband and as the father of charming princesses, he brings to the monarchy the security and dignity that marked the reign of the beloved king George V. Therefore, the Canadian people hasten to express to the new king their loyalty and profound respect. And the British Empire, disturbed by the uncertainty of the first days of December last, continues its march through the centuries with its customary impassibility and proud demeanour, as if nothing had happened.

Mr. Speaker, I have not sufficient knowledge of international affairs or of diplomacy to appreciate at its true value the remarkable speech delivered before the League of Nations last autumn by the right honourable the Prime Minister, but I well remember the anxiety shown in many parts of Canada regarding the attitude to be taken by the Canadian delegation at Geneva on the question of the participation or abstention of Canada in the event of war. The proud declaration of the Prime Minister on this occasion, proclaiming the complete independence of Canada in the event of war, even should England be involved, and his definite statement that Canada would never declare war without the formal consent of the federal parliament have reassured all true Canadians.

However great the admiration, the confidence and the sympathy we owe to England, the duty of every citizen of Canada, of whatever racial extraction, is to show himself a true Canadian by seeking first to protect the honour, the liberty, the peace and the future of Canada. By so doing, we will not be abandoning British ideals nor prejudicing the cause of England. And the manner in which our prime minister cleared up the question of Canada's sovereignty, to the satisfaction of all Canadians worthy of the name, revealed him as an enlightened leader and a statesman of the first rank.

Among all the nations of the world, Canada has made the greatest economic progress during the last twelve months. Its volume of trade has passed the billion dollar mark for the first time since 1929, and Canada holds fourth place among the exporting countries of the world. With the exception of the drought areas, every part of Canada shows an improved situation. Economists and financial commentators and especially the presidents of our banking institutions, in their annual reports, are practically unanimous in stating that this rapid improvement is largely due to the wise policies of the present government, which advocates moderate tariffs in order to promote trade with all the nations of the world. The last commercial agreement concluded with the United States has given most excellent results and is held largely responsible for the enormous business improvement registered in 1936, the figures of which are known to all. These results demonstrate once more the superiority of the tariff policies of the Liberal party and the ill effects of the policies of extreme protection that have always characterized Conservative administrations in Canada as well as in other countries.

In his address, delivered last week, to the shareholders of the Canadian Bank of Commerce, Sir John Aird made some observations that are of interest to this house. He said: "I urge world-wide tariff revision" and he added: "This country should be thankful for a partial return to less restricted trade and exchange policies. I shall not qualify my former expressions against trade restrictions because of their depressing effect upon business. But now I urge world-wide tariff revision for two other reasons, namely, to protect the consuming masses against possible sharp increases in living costs, and to prevent the large governmental expenditures still necessary for public relief from mounting so high as to nullify efforts to achieve budgetary balance."

No one, I venture to say, will accuse Sir John Aird of being a pillar of the Liberal party or of being unduly inclined to praise the present administration.

The economic prosperity of Canada fundamentally depends upon the extent of our foreign trade. With a population of only ten million spread over half a continent, we are incapable of absorbing, ourselves alone, all our natural products and the products of our manufactures. We need outside markets, especially in the United States, who are our natural customers. High tariff barriers tend to stifle our commercial expansion. Every page of the commercial history of America shows that every excessive raise in the tariff, on either side of the international boundary, has caused us economic embarrassment and often disaster. Striking examples of this are found in the Fordney-McCumber and Hawley-Smoot tariffs, as well as the economic nationalism practised by the last administra-

tion. With the exception of the period of the great war, Canada's business barometer has always pointed upward during Liberal administrations and downward under Conservative governments. One of the best illustrations of this fact is to be found in the operations of all the Canadian railways since confederation. Car-loadings do not lie. A former official of the Intercolonial Railway, who has been observing them over the last sixty years, has noted that their curve has always moved in a contrary direction to tariffs, being high under Liberal administrations, with low or moderate tariffs, and low when tariffs are high.

The voters of Canada understood this quite well in 1935 when they gave to the Right Hon. Mackenzie King an unprecedented mandate to bring back prosperity to the country.

Our volume of trade with overseas countries, while not as great as with the United States, is most gratifying. Our treaty with Japan continues to be beneficial to Canada and the government, in spite of the dire prophecies uttered last year by the right hon. the leader of the opposition (Mr. Bennett), still exists and has so far escaped the humiliation to which it was said to be doomed. On the contrary, this humiliation fell upon our textile industry whose voracity at the expense of the Canadian people was fully established. The definitive conclusion of the trade agreement mentioned in the speech from the throne, the approval of the treaty with Germany, the negotiations actually in progress with Australia and several other countries, promise well for the coming fiscal year.

That is why, Mr. Speaker, we look forward to this new year with so much confidence; that is why the hon. the Minister of Finance (Mr. Dunning) foresees for the near future not only a balanced budget, but a series of ample surpluses, as in the prosperous years from 1921 to 1929.

(Text) I have so many friends, Mr. Speaker, from coast to coast, especially in my own native province, friends both in and out of the medical profession, who speak the language of Shakespeare, that I consider I should be remiss in my duties of friendship and esteem were I not to say at least a few words in the language through which these friendships were born and nurtured. May I avail myself of this opportunity of conveying my deepest gratitude to hon. members of this house, without distinction of party affiliations, for the many kind words they have said with reference to my late father. I am particularly indebted to the right hon. Prime Minister (Mr. Mackenzie King) and members of his cabinet for the many kindnesses to my father during his last illness and for the honour paid to him by their presence at his obsequies in July last. The county of Gloucester will long remember the visit of the Prime Minister and his colleagues for the purpose of accompanying to his last resting place a man who had served the interests of the county for half a century.

I cannot abstain from paying a special tribute to the right hon. Leader of the Opposition (Mr. Bennett) for his touching mark of esteem in a personal letter he wrote to my late sire two weeks before he passed to the great beyond, and for the personal references to him made later in public addresses. All this shows the estimable humaneness of the man who is the distinguished leader of a great party. These written and spoken words of a political opponent glorify the membership of this House of Commons, and so long as such amenities of good fellowship exist among its legislators, the Dominion of Canada need never fear for its future destiny.

The hon. member for Essex West (Mr. McLarty) has covered so well the ground upon which rests the speech from the throne that there remains very little for me to add to complete the picture. However, there is one matter about which I should like to make a few remarks; I refer to the question of unemployment and direct relief.

While the government is to be congratulated on the excellent work which has been done by the national employment commission since its inception, nevertheless, in spite of a marked improvement in economic conditions throughout the whole country, unemployment continues to be Canada's major problem. We must ask ourselves the reason for this surprising paradox of unemployment in the face of such rapid economic progress. No matter how laudable was the intention of those who initiated direct relief as a means of helping the unemployed on this continent in 1930, direct relief is to-day considered by the leaders of thought in Canada, and especially in New Brunswick, where we are making use of every endeavour to bring direct relief to an end, as one of the greatest economic and psychological fallacies of the century. It may have had its place, as a strictly temporary emergency measure, at the beginning of the depression period, when so many thousands of our people were thrown suddenly out of employment, but its continuation as a state-supported form of charity, as the subsidizing of idleness, without asking any return in the shape of human endeavour, is sapping the morals, the vitality and the finances of

the country, because of the destructive principle that it fosters in supporting idleness, whether forced or voluntary, as opposed to the natural law of compensation, of work and production.

Mind in action through creative, constructive thinking, is the greatest force in the world. Work, production, whether in the intellectual or material field, is mind's greatest manifestation, the basic principle of all human success and economic progress, one of the fundamental laws of the universe; and idleness, whether voluntary or forced, is the bane of humanity and the ruin of economic structure. The man who thinks in terms of work or production forges ahead; he who thinks in terms of idleness stagnates, rusts and deteriorates.

Horace Greeley aptly said:

> The darkest hour in any man's life is when he sits down to plan how to get money without earning it.

Commenting on this statement, the editor of one of America's largest magazines adds:

> And the darkest hour in the life of any government is when it plans to pay him on these terms. The curse of the dole laid the ancient Roman empire in ruins. The dole then, as to-day, was a soporific that prolonged the disease instead of curing it. The dole then, as now, was never expected to lift a man out of the dole class, but rather to maintain him in a state of permanent pauperism.

In 1930 the British and the Canadian medical associations held a joint convention at Winnipeg. Lord Dawson, the king's physician, and one of our distinguished guests, was asked his opinion on the dole in England as a relief measure for unemployment. He expressed himself as follows:

> The dole was the greatest calamity that hit England since the world war. It made of our labourers liars, perjurers, thieves and lazy men, from which state of demoralization it will take England a generation to recover.

It was the consideration and recognition of the basic principles just mentioned that prompted my home town of Bathurst in 1933 to discontinue direct relief or the dole as a means of taking care of its so-called unemployed; and the government of New Brunswick at the present time, inspired by its leader, Premier Dysart, and members of the cabinet, is putting forth all its efforts to suppress direct relief and the dole as rapidly as possible. I said "so-called" unemployed a minute ago; for we in Bathurst discovered that direct relief was being made a racket, and that fully ninety per cent of those who were asking for assistance were not entitled to it, twelve hundred out of a population of 3,360 of our people being on direct relief. On the first of May of that year we voted out direct relief and adopted the slogan "no work, no bread" from the town of Bathurst; if any unemployed asking for assistance refused to work, we refused to give him bread at the expense of the taxpayer. We separated ourselves from both provincial and federal governments as far as direct relief funds were concerned. In order to overcome the objection to using direct relief funds for the payment of wages, we carried on by ourselves, out of our own resources, giving our people work such as shovelling snow, hauling gravel —anything so long as we made them work, paying them twenty cents an hour for ten hours a day five or six days a week. Our relief problem ceased overnight, so to speak. We saved ten thousand dollars a year for the town of Bathurst, and an equal sum for each of the provincial and federal governments. Our insistence on some return, some personal effort, some show of good will from all who asked for assistance, instead of allowing them to wallow in idleness, soon reduced our municipal relief load to the near zero mark, because the unemployed man was forced to reason the matter out for himself in this way: "If the town forces me to work forty odd hours a week anyway, I might as well work on my own hook and do better for myself." Henceforth our men found ways and means of standing on their own feet and becoming self-supporting. Since that time, we have not had a single man on relief. We have only the ordinary indigents, the maimed and sick that we always have had and always will have with us.

I do not mean to imply that every municipality in Canada can achieve the same results with the same methods, but I do contend—and there is no getting away from this psychological fact—that to-day, with the dole in existence, you cannot get the ordinary labourer to look for work, let alone do an honest day's work, so long as he knows that the dole dangles in front of his nose, so long as he can get his sustenance by the mere extending of his hand. If our governing bodies expect to pull out of this morass of unemployment, our only hope lies in getting people back to work consciousness, compelling them to give some personal return for the assistance they receive, by cutting out this panhandling, this racketeering, this subsidizing of idleness, this sponging on the public treasury, on which so many persons have existed dishonestly for the last five or six years.

Hon. members of this house know that in every district where direct relief exists there are vultures preying on the misery of the people; there are owners or managers of

business institutions fostering the direct relief idea because they have waxed fat on it, because they tripled or substantially increased their annual cash receipts. These men are no better than brigands, who must be fought in every possible way, but chiefly by the endeavour to promote the principle of "work for living," by the preaching of the gospel of "work for bread and sustenance," regardless of the source from which the work is obtained.

It is towards this goal, no doubt, that the national employment commission is directing its best effort. It has already accomplished very much through its home improvement plan, through its farm employment plan, through its classification of the unemployed into various categories. But there remains one final step to take, and that is to abolish the greatest enemy of true labour by suppressing as far as possible direct relief, state supported charity, the subsidizing of idleness, and to replace it by instilling into the minds of our people work consciousness instead of dole consciousness. This we must do before we can correct the astonishing paradox of prosperity almost equal to that of 1929 running parallel with unemployment of still alarming proportions.

(Translation): Mr. Speaker, it affords me great pleasure to second the motion of my hon. colleague from Essex West (Mr. McLarty) for an address in reply to the speech from the throne.

Right Hon. R. B. BENNETT (Leader of the Opposition): It is not difficult to discharge the formal duty that devolves upon one holding my position, namely, to congratulate the mover (Mr. McLarty) and the seconder (Mr. Veniot) of the address which, Mr. Speaker, it is proposed shall be presented to His Excellency. The speech of the hon. member for West Essex (Mr. McLarty) does him infinite credit, and to me it is a matter of some satisfaction to know that he was at one time a member of the profession in the province in which we both resided. The relations between himself and all other members practising there were friendly, as one would expect, and he carried on the practice of his profession on the very high level which one might anticipate from the speech to which we have listened to-day. I thank him for his kindly references to myself and join with, I am sure, every member of this house in congratulating the hon. member for Gloucester (Mr. Veniot) upon the speech which he has just delivered. It indicates a mind that is carefully considering the great problems that surround us, the solution of which we have not yet learned nor yet found. It was a speech which we should expect from one who has so long been engaged in the practice of the healing art. I too have some pride in the hon. gentleman's speech inasmuch as we are natives of the same province; there is a saying among those who are sometimes not able adequately to judge, that if anyone is from New Brunswick or from Dalhousie university he has a warm place in my heart.

The speech from the throne apparently does not contemplate a lengthy session. The duties that devolve upon the Prime Minister (Mr. Mackenzie King) in connection with the coronation and the imperial conference are such that, I take it, he is anxious, while doing full justice to every demand that may be made upon him and his government by the country, to be able at the same time to discharge the very serious and onerous responsibilities that rest upon him by virtue of his position; and so far as we may be able to do so, we will endeavour to expedite the business of this house in order that the first minister, who will represent, on the occasions to which I refer, not a party but the whole of Canada, may be relieved of worry as to whether he will be able to attend, and, through prompt and efficient dispatch of business, may be able to represent us at that time.

It is fitting that the speech from the throne should in its very first paragraph direct attention to the changes that have taken place during the last few weeks. I am sure that the speech from the throne adequately expresses the views of every Canadian with respect to the deep concern with which we learned that Edward VIII had renounced the throne of his fathers. It will serve no good purpose to discuss that matter now. I can only read the words of His Majesty King George VI in his New Year's message:

> In succeeding to the throne I follow a father who had won for himself an abiding place in the hearts of his peoples, and a brother whose brilliant qualities gave promise of another historic reign. His reign was cut short in circumstances upon which, from their very sadness, none of us would wish to dwell.

I think, however, that if one were to ask me what words that I have read during these weeks more nearly express what I conceive to be the attitude of the late king toward the the problems with which he had to deal, those words would be found in this quotation from Othello:

> I have done the state some service, and they know't;—
> No more of that.—I pray you, in your letters,
> When you shall these unlucky deeds relate,
> Speak of me as I am; nothing extenuate,
> Nor set down aught in malice: then must you speak
> Of one that lov'd not wisely, but too well.

Our duties as subjects of His Majesty the new king cannot, I conceive, be more clearly expressed than in the language which His Majesty used both on the occasion of his accession to the throne and in his New Year's address. In acceding to the throne he said:

I meet you to-day in circumstances which are without parallel in the history of our country. Now that the duties of sovereignty have fallen to me I declare to you my adherence to the strict principles of constitutional government and my resolve to work before all else for the welfare of the British commonwealth of nations.

With my wife as helpmeet by my side I take up the heavy task which lies before me. In it I look for all the support of all my peoples.

But more significant are the words used in his New Year's message:

Throughout my life it will be my constant endeavour to strengthen the foundations of mutual trust and affection, on which relations between the sovereign and people of the British Empire so happily rest. I ask your help toward the fulfilment of this purpose, and I know that I do not ask in vain. . . . My wife and I dedicate ourselves for all time to your service and we pray that God may give us guidance and strength to follow the path that lies before us.

Mr. Speaker, is it too much to say that each of us as a Canadian, each citizen of this vast empire, in whatever part he may find himself, should dedicate himself to the service of his country even as the king and queen have dedicated themselves for all time to the service of their peoples. With that I leave the subject, for I am conscious that there must be and will be an earnest desire and effort on the part of all to render to the state, in these troublesome times, such service as will accord with the declaration of His Majesty.

I cannot, however, permit this matter to pass without making at least one observation that arises out of certain discussions which have taken place, both in and out of this house. Respectfully I suggest that the statute dealing with the succession has not been altered. I have no hesitation in saying that had I occupied the position which the Prime Minister now occupies I should have taken exactly the course he took in dealing with the problem which he had to meet.

I think it might be well to look at the language of the statute before we conclude too hastily that there has been any change in the law affecting the succession. The statute is short, and in order that there may be no misapprehension as to the position which I suggest is the sound one I may perhaps read it:

Whereas His Majesty by his royal message of the 10th day of December in this present year has been pleased to declare that he is irrevocably determined to renounce the throne for himself and his descendants and has for

that purpose executed the instrument of abdication set out in the schedule to this act and has signified his desire that effect thereto should be given immediately.

And whereas, following upon the communication to his dominions of His Majesty's said declaration and desire, the Dominion of Canada, pursuant to the provisions of section four of the Statute of Westminster, 1931, has requested and consented to the enactment of this act, and the Commonwealth of Australia, the Dominion of New Zealand and the Union of South Africa have assented to (the enactment of this act).

Be it therefore 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 the same as follows:—

1.(1) Immediately upon the royal assent being signified to this act, the instrument of abdication executed by His present Majesty on the 10th day of December, one thousand nine hundred and thirty-six, set out in the schedule to this act, shall have effect and thereupon His Majesty shall cease to be king and there shall be a demise of the crown—

This is the part to which attention should be directed:

—and accordingly a member of the royal family next in succession to the throne shall succeed thereto and to all the rights, privileges and dignities thereunto belonging.

(2) His Majesty, his issue, if any, and descendants of that issue, shall not, after His Majesty's abdication, have any right title or interest to or in the succession to the throne, and section one of the act of settlement shall be construed accordingly.

Not modified, but construed.

(3) The Royal Marriages Act of 1772 shall not apply to His Majesty after his abdication nor to the issue, if any, of His Majesty or descendants of that issue.

Now, having read that statute, I think it is only necessary to direct the attention of the house to the fact that it constituted an acceptance of the resignation of office by His Majesty the late king. We call it in technical parlance his abdication, but we had no precedent for abdications and as to the implications of them, and the statute, in order that there might be no doubt in the matter declared that there was a demise of the crown. The king was dead.

Mr. LAPOINTE (Quebec East): Hear, hear; that is right.

Mr. BENNETT: The king was dead. And from that there followed, not a new law of succession, not a new method, but the application of the provisions of the act of settlement by which the Duke of York, being then heir to the throne by the death of the then king, succeeded as George VI. That is the position.

Then, further, the statute merely declares that it should be thus construed. That is

all. That is, not having any former precedent, except in the case of James, in which parliament declared that he had abdicated—whether or not he had was a nice question, but at least they declared that he had—leaving that for the moment, parliament then said: We will construe the act of settlement, because the king has made himself dead, as though it were a demise of the crown.

The next section merely gives effect to the first section. The king is no longer a royal personage and no longer requires any consent by parliament to his marriage. That is all there is about that. And the last section deals with the question of himself and his descendants, because England at one time had some difficulties about pretenders, and in order to obviate any difficulty of that kind the statute makes it perfectly clear that that question should not arise.

There is also the question as to the method by which Canada made known its views upon the matter. The Statute of Westminster provides that no act passed by the parliament at Westminster shall have effect in this dominion without the request and assent of the dominion. That merely means the executive of this country in the absence of any provision to the contrary. So far as the government of the day is concerned, it staked its life upon the action which it took, and under our system of constitutional government, with the administration commanding as it does a majority in the House of Commons, the question becomes nothing but a matter of recording the will of that majority upon the records of this house. The question which arose in South Africa and Australia and New Zealand is entirely different. Section 4 does not apply to those dominions except under certain conditions to which attention need not now be directed, namely, by their acceptance of them. South Africa did accept them, I think, in 1934, and so far as Australia and New Zealand and Newfoundland are concerned, they no longer have any application. The statute itself is clear upon that point. Section 10, subsection 3, states that the dominions to which this section applies are the commonwealths of Australia, New Zealand and Newfoundland, and the first part of the section declares that none of the following sections, that is, sections 2, 3, 4, 5 and 6, shall extend to a dominion to which this section applies as part of the law of that dominion unless adopted. The question whether parliament should antecedently express its opinion is one which I think cannot be successfully raised, having regard to the issue which had to be determined. When the statute was framed in the form in which it is it was done for the purpose of meeting an emergency which might arise, just as an emergency arose in this case. If this parliament should take an opposite view to that taken by the executive it would of course mean the resignation of the government and an application to the parliament at Westminster to enact a statute which would repeal the provision to which effect had been given by an executive which did not command the support of a majority of the house. I think that is all I can usefully say on the matter, although there may be more that could be said.

The question that arises as to the international situation, which naturally engages the attention of every thoughtful man, is certainly one which you would expect to be dealt with immediately after the reference to the change in the succession to the throne. That the international situation is an unhappy one goes without saying. I saw the other day, from a source which is usually accurate, a statement that the moneys expended for armaments and munitions in 1936, together with the commitments made for that year, which will be afterwards expended, amount to the almost incredible figure of three thousand million pounds. I had no means of checking the accuracy of the statement, but it appeared in a responsible journal as an estimate coming from a usually responsible source. That in itself indicates how serious the situation is. Happily we are not menaced by it as many countries are. Those who have travelled in Europe realize the difficulties there are in crossing boundaries, in connection with the enforcement of customs and other laws at frontiers, in connection with passports and so on. Perhaps those who live in Europe little appreciate what it means to live on this continent; sometimes they express the view that it is impossible for them to understand the conditions under which we live as compared with their own.

I for one, however, do not despair because there has been a breakdown in the instrument that was forged by the wit and wisdom of men, relatively, so few years ago, to preserve the peace of the world and, if possible, to prevent another world war. The League of Nations has failed. No one doubts that. Its failure has filled the hearts of many with great sorrow, but the fact that an institution set up by human hands fails is no reason why the wit and wisdom of men should not upon its ruins build a successful league of nations to effect and impose, by their own act, collective security. A few weeks ago in Sydney,

Australia, addressing an organization there, I said that from our failure in the past we should now proceed to success in the future, and that nothing is a greater incentive to success than failure, properly understood.

I wonder sometimes if we do take time to look back to 1919 and 1920. I have little doubt that the Dominion of Canada would not have been a member of the League of Nations, that Great Britain would not have been a member of the League of Nations, had it not been that the league was largely promoted by the United States of America. We ought to face that fact. It was the President of the United States who asked Colonel House to prepare the first draft of the league covenant, and those of you who have looked through the last Life of General Smuts will see, in the appendix, the part that he took in the modification of the original draft.

That covenant, dealing with the League of Nations, as it was ultimately incorporated in the Treaty of Versailles, was so incorporated at the instance of the United States of America, and it must not be forgotten that when this great western republic became a party to the League of Nations it was with the greatest joy and satisfaction that the old countries, England and France, and the newer republics on the American continent, as well as those countries in various parts of the world that were not republics, such as Australia, New Zealand and Canada, viewed this as the first great world effort to obtain collective security. And it must not be forgotten that the first assembly of the League of Nations was called and opened by the president of the United States of America.

When the United States senate rejected the Treaty of Versailles, and with it the covenant, of course you had a new condition, and the league itself had to face a situation such as no new organization, the machinery of which had just been set in motion, ever had to face before. If it has failed it has failed gloriously with respect to many matters, because in the interim, unsupported, as I have said, by those who, more than anyone else, were responsible for giving it birth in the first instance, it managed to discharge such duties as it did discharge. Therefore I think there is no reason why on some reorganized plan the world might not still declare its determination that there should be peace amongst the democracies of Christendom, and we might still be able, by effecting collective security, to ensure the peaceful development of the nations of the world. I believe so. I have not yet become so great a pessimist as to believe that the league, which for a period of sixteen years, handicapped as it was from its very inception, has been able to do what it has done, may not now be able under the conditions that obtain throughout the world to forge an instrument for collective security that will enable men to devote their time, energies and incomes to the peaceful development of their countries. And, Mr. Speaker, I do still believe in a league of nations for that end. I never was one of those who warmly applauded the League of Nations after the United States defeated the peace treaties and the league covenants. I confess at once that to me it was a matter of the gravest concern, and I felt that it would be extremely doubtful whether the league could hope to function successfully. But England and France held on, with most of the other nations of the world. Germany came and went; Japan left; some of the nations of South America left, but the league still endeavoured to function, within a very limited area.

I believe that the committee now dealing with the matter, on which committee Canada is represented, with the support of Canadians and other members of the British commonwealth of nations, believing as they do in national security brought about through collective effort and cooperation, may be able to set up some instrument so that men will be devising not methods and means of destruction but rather methods and means looking to the peaceful development of their respective countries.

I am one of those who, out of office, rejoice in the prosperity of our country. I should say to my hon. friends from Essex West and Gloucester that the prosperity of Canada, like that of other nations of the world, is a prosperity which began in 1934 and which continued during that year. It improved in 1935 and greatly improved in 1936, but relatively the improvement in 1935 over that of 1934 was not substantially different from the improvement in 1936 over that of 1935. The statistical references indicate that Canada's position is one of the foremost, though not by any means the first, and that we have kept pace with the other nations of the world in the improvement that is everywhere apparent. Our trade has expanded. To the extent to which we have made it easier for other countries to sell goods in Canada, imports from abroad thus have been stimulated by governmental activity. To the extent to which other countries have made it possible for our goods to find markets there, the action of other governments has contributed to the end in question. But it is idle to say that the action of any government is responsible

for the conditions that prevail. I rejoice that they do prevail. They prevail in New Zealand; they prevail in Australia; they prevail to an amazing extent in South Africa, far beyond the situation in this country. They extend to Great Britain, to a much greater extent than in Canada, largely because of the fabrication of munitions and armaments.

The fact that this is so and that there has been a general improvement in international trade as well as a general improvement in world conditions is a matter for satisfaction to me and those who sit on this side of the house as much as it is to those who sit on the other side, but I think they will find on analysis that the amount of improvement that can be made directly referable to any particular legislation is extremely limited. There will be ample opportunity on other occasions to discuss these matters in detail, so I will defer the discussion until then, but I think if my hon. friends will take the trouble to analyze the figures they will find my statement to be correct. I am not unmindful of the fact, for instance, that from 1921 until 1930, during the regime of the right hon. gentleman who now leads the government, this country enjoyed a prosperity that was ever increasing during those years, and yet during that period of time 934,000 people left Canada for the United States of America. There is the record. That in itself is some indication of the undesirability of endeavouring to generalize too greatly upon premises which I think are faulty.

The general improvement of conditions, for instance, would not be attributable to the trade agreement between Russia and Canada. Since that trade agreement was made Russia has bought 5,000 bushels of wheat. The record is not compiled in so far as Germany is concerned, but the German treaty itself is a negation of all the rules that have prevailed with respect to international trade. We might as well be fair about it; it is an experiment. The experiment may succeed; I hope it does, but it is a barter experiment. It is an experiment by which it is declared—and I have heard the most eminent economists in public declare how unsound it is—that every dollar which is expended in buying German goods will be utilized in buying Canadian products, 35 per cent being used for the purpose of acquiring wheat. Now that is an ideal sort of view, but it involves the necessity on the part of Canadians first of all to buy a substantial quantity of goods from Germany. If they do not want them, they will not buy them. And if by buying them, Canadians displace their own goods, then you are put into the position referred to by the hon. member for Gloucester, of injuring a number of your own people. The treaty with Germany is obviously an experiment, as one can see by reading the documents, and provision is made for its termination. That provision is of such a nature as indicates that the treaty may not work satisfactorily, and if it does not, then within as short a time as possible it can be terminated by cancellation.

There was a trade treaty with Germany before the late government left office. There was one with Poland and there were treaties with other countries of the world. There was not one with the United States.

The statement that the hon. member for Essex West has made is one that will not bear analysis. Whisky for instance, constituted some $8,000,000 of the increase in exports. That is an extraordinary item. The large exports of newsprint that took place during the fall were attributable to the tremendous amount of printers' ink which was used on paper during a presidential campaign, and to the increased quantity of paper used in advertising consequent upon the distribution of moneys which increased the purchasing power of the people. The analysis of the matter might be carried on with great particularity, but I do not conceive this to be the moment to do so. I can only say again that it is well for hon. members to recall that the present position did not arise from zero in the regime of hon. gentlemen opposite. All they have done is to pursue the course that their predecessors followed with respect to many great matters of policy.

The revenues of this country, for instance, have increased some $48,000,000, I think, for the nine months ended December last. I read that in the paper the other day. But the largest item is from sales tax, which was increased 33⅓ per cent by this government last session, an increase of from six to eight per cent, and if that did not increase the revenue it woud be a sad reflection upon the intelligence of those who made that change. It was intended to create revenue, and it did, and this parliament is responsible for increasing the rate from six to eight per cent.

May I go a step further? You have an increased revenue from income tax amounting for the last nine months to something like $18,000,000. But on what income was it collected? Upon the income of 1935, not the income of 1936, and surely the hon. member for Essex West would not attribute the increased collection of income tax to what took place between October and December with respect to the incomes of the citizens of

Canada. It is true that the calendar year and the fiscal year of many of our enterprises are not the same, but the fact is that the income tax collected, which is some $18,000,000 more than it was for the same period of the previous year, was collected on the income of individuals and corporations and companies prior to the year 1936, although in some instances there may be an overlapping into 1936 because the fiscal year and the calendar year are not the same.

Mr. DUNNING: There was a higher rate.

Mr. BENNETT: Not a substantially higher rate.

Mr. DUNNING: On corporations.

Mr. BENNETT: But the taxation on individuals was not at a higher rate. There was an increased rate, as the hon. gentleman has said, on corporations, and therefore it might be expected that there would be an increased revenue. That, I think, is fairly clearly understood.

But when I come to another matter in the speech from the throne I find it a little difficult quite to appreciate the attitude of the government. Speaking of the wheat stored I have only a few questions to propound at the moment because ample opportunity will be afforded later to deal with that matter. But I would ask: What power has the governor in council to change a statute unless it be given the power by the statute itself? The statute said that a fixed price should be provided for wheat in order that there should be two buyers, in order that it should be possible for the trade to function as such, and if the producers did not see fit to sell to the trade they could sell to the wheat board. If they sold to the board they had two chances. They could get payment of the fixed price immediately, and then they could get a certificate that would enable them to participate in the future increase in price obtained for the crop. But I read the record and I find that instead of the board simply fixing the price, which the board did, the governor in council imposed a condition for which it had no authority. What was the price fixed? Eighty-seven and one-half cents? No. They said: There is no duty upon the government to agree to any price. Of course, there was not, no duty to agree to "a" price, but to agree to some price there was a duty. Under the statute it is the duty of the crown to do so and so, and the crown is presumed to do that which under the statute it is empowered to do. Under the statute that we had there was a provision that the board should fix a price for grain with the approval of the governor in council. Section 8 (a) reads:

It shall be the duty of the board to fix a price to be paid to the producers for wheat delivered to the board as by this act provided, subject to the approval of the governor in council.

The board is further empowered by section 7:

(a) to receive and take delivery of wheat for marketing as offered by producers thereof.

And by paragraph (e) of the same section:

to pay to producers delivering wheat at the time of delivery or at any time thereafter as may be agreed upon such fixed price per bushel, according to grade or quality or place of delivery, as may be determined by the board with the approval of the governor in council; and to issue to such producers when such wheat is purchased certificates indicating the number of bushels purchased, the grade, quality and the price, which certificates shall entitle producers named therein to share in the equitable distribution of the surplus, if any, of the operations of the board during the crop year.

That is the law. Now what did the government do? The government took a very simple view. They simply said: We will provide that the board is not to enter the market until the price goes below 90 cents. Where did they get the authority for that?

The late government had to deal with the matter in 1935. The first price suggested by the then board was much higher than 87½ cents. The governor in council did not agree. Finally the price suggested at 87½ cents per bushel was the price approved by the governor in council. They proposed a much higher price, but the government of the day said: We cannot accept that price. The government of the day were bound to accept some price. They could not dodge their responsibilities by amending the law to say that the board would not go into the market until the price of wheat fell below 90 cents. The press statement made was as follows:

The effect of the decision which was reached Thursday at a meeting of the cabinet will be that the wheat board will not have any of this year's crop unless the price falls below 90 cents when it will step in and support the market by buying from the farmers all the wheat offered at 87½ cents. In the meantime farmers wishing to sell, will do so on the open market.

The statute passed by this parliament was not repealed although an attempt was made when we were in committee to have it provided that the statute should die after a certain period of time. We took the view then, as we are doing now, that as the statute

was for the well-being of the western farmer and the whole class of wheat producers, it should only cease being in effect when repealed. It has not been repealed to this day. During the season just ended the farmer has had no opportunity to sell his wheat to the board unless the price dropped below 90 cents. That was not the purpose of the statute. The purpose was exactly the opposite; it was to afford the farmer an opportunity to sell. He was to be given a market to which he could go and take his chance upon the price rising. There were many farmers who believed that the market would rise and they would have liked to sell their crop to the board. They were denied that privilege unless the price of wheat dropped below 90 cents. If wheat went up they could not participate except by holding their wheat, whereas the statute provided that a second method should be provided in addition to the open market. The statute stated that the board should buy all the wheat offered at a fixed price and issue certificates which would enable the farmer to participate in a rise in the market.

Compare the price the board got for its wheat with the price of wheat to-day. This is not the time to go into this matter in detail, but I ask this question: Would any intelligent body of shareholders accept such a statement from their directors? Hon. members may ask: What were the conditions? Every man must have realized those conditions. The Minister of Trade and Commerce (Mr. Euler) must have known what were the conditions. We find that the world's net exports of wheat, as supplied by the International Institute of Agriculture at Rome and by our own bureau, amounted last year to only 514,283,000 bushels. The year before the total was 526,326,000 bushels odd; the year before, 542,699,000 bushels and the year before, 616,830,000 bushels. Last year I pointed out in this house that there was a partial failure of the crop in the Argentine. Let us look at the export figures for the Argentine. They are:

	bushels
1928-29	221,627,000
1929-30	150,599,000
1930-31	124,107,000
1931-32	140,293,000
1932-33	132,044,000
1933-34	146,719,000
1934-35	181,202,000
1935-36	69,419,000

Those figures must have been known to everyone interested. Notwithstanding these facts, the government of this country prevented the farmers from selling their crops to the board unless the price dropped below 90 cents. This was done at a time when the exports from the Argentine had dropped to 69,000,000 bushels. Do you mean to tell me, sir, that any reasonable body of shareholders would excuse a board of directors for actions such as that?

Then I turn to another item, that with reference to the United States of America. What were they doing in that country? In 1928-29, they sold 145,000,000 bushels; in 1929-30, 138,000,000 bushels; in 1930-31, 109,000,000 bushels and in 1933-34, 25,000,000 bushels. They had no wheat to sell last year or the year before. Other countries were in about the same position so far as exports were concerned. Notwithstanding these facts the government of this country deprived the farmers of western Canada of the right to sell their wheat to the board. What right had they to do that? That is question number one.

Show me their power. They have repealed the statute by order in council, but what would have happened if we had done that? All the books on public finance and all the safeguards that have been achieved since the time of Caesar would have been referred to in order to show that we were wrecking the British constitution. There you have it. I leave it to the government to explain why the market that was provided by statute was not made available to the farmers of western Canada. This statute was to enable them to get a minimum price and thereafter to share in the rising market which everyone knew was coming. There was a limitation of the quantities available for export from the producing countries in the world and yet our farmers were deprived of that market by order in council. I should like to know why.

It is somewhat gratifying to see the methods which have been indulged in by the government during recent months. Does the Minister of Labour (Mr. Rogers) remember that we pointed out to him that he might have to have money? He had made no provision for that. Does the Prime Minister remember his references to distinguished economists and financiers who pointed out that there should be no distribution of moneys except by appropriation of parliament? Does he remember how the vials of wrath were poured out upon the heads of those who sat upon the treasury benches of that day because they had provided that with the will of parliament they could take from the consolidated fund for relief purposes such moneys as might be necessary? How has it been done by the Minister of Labour? How has it been done by the Minister of

Finance (Mr. Dunning)? I was not present last week, but I should like to know if there have been laid upon the table the orders in council which provided for the royal warrants that have been issued to deal with a situation which has arisen in this country. We told him that he would have to have similar authority, but no, perish the thought, the institutions of the country would be wrecked; there must be an appropriation! The government reappropriated all the moneys that had been provided for public works and buildings. The Minister of Labour came down and reamended his own statute in order to make it work. We still pointed out to him where he would end up. Now we have royal warrants for expenditures.

If they had stopped there it would not be so bad, but they did not. They have had recourse to very many other orders in council in order to achieve their ends. I name this too because it affects vitally a great principle. If the government of the day were sincere when they were in opposition during the long days and weeks they held up parliament and declared that this pernicious principle should not be embodied in a statute, why have they had recourse to the methods I have mentioned for the purpose of achieving the ends I have suggested? But it did not end there.

The speech from the throne states that they have made another trade agreement. In principle they have made one with Great Britain. If this story had been taken down on a dictagraph and transcribed it would make very nasty reading. The Prime Minister will perhaps recall that in the days long since passed he declared in this very city, when stating the platform of his party, that the British preferential tariff would be fifty per cent of the Dunning budget rates. The Minister of Mines and Resources (Mr. Crerar) looks up and recalls when he led the remnant of a third party in western Canada and clamoured loud and long and vigorously for a fifty per cent British preference. Have they got it? Is that the principle accepted? It is not very sound parliamentary practice to refer to a matter in the speech from the throne as being settled in principle when hon. gentlemen opposite are not able to give us any information with respect to its finality. But I apprehend that that time will not be far distant, and then we shall have an opportunity of testing in the light of known facts the professions made by the hon. gentleman when they were in opposition. Oh what a change, my countrymen, there will be!

[Mr. Bennett.]

There is one matter, however, Mr. Speaker, that I feel I would be derelict in my duty if I did not refer to—the advantageous effects of the trade agreement with the United States. There never was any difference of opinion, provided the benefits were not overborne by the disadvantages. I wonder if hon. gentlemen opposite can realize how different this country is from other parts of the British dominions. Our geographical position has imposed upon us certain invisible influences that cannot be weighed in their value in relation to the national life of this country; the wireless operations, the close contact of newspapers and—I repeat what I said last session—the influence of magazines. We endeavoured for two reasons to lessen the distribution in this country of magazines from the United States. I shall not do more than merely refer to those reasons. One was for the purpose of being fair to the Canadian producer of manufactured products, and the other was that we should develop a national spirit. I am one of those who, unfortunately perhaps, believed that Canadians had a mission to develop a very distinctive civilization on the northern half of this continent. I believed that we were the interpreters of great conceptions of citizenship, of high regard for what one might call the elementary rules of justice and of obedience, of discipline and of loyalty, and that the opportunity offered to us was unique. I pointed out at the last session, as I have done in previous sessions, that the effect of the legislation which was passed by this parliament giving effect to the United States trade agreement was to increase the distribution of American magazines, of the type to which I referred, in Canada about 100,000 more than it was at their high circulation in 1930. That has happened in six months. The agreement came into force on January 1, and between then and now—it is not a year—the last figures, according to the National Bureau of Circulation, placed the distribution in this country in the vicinity of a million and three quarters of these magazines per month, per fortnight, or weekly, as they may be issued. What is the effect upon the national life of this country? Let hon. members ask themselves. In Canada we have only 11,000,000 people, endeavouring to create a distinctive personality among the peoples of the world. I need not mention the unfairness of this distribution of American magazines to our industrial life, because it imposes at once upon the Canadian reader, when he looks at our price standards, the view that he is being unfairly treated by the people to whom he

pays a higher price; and no one need be told, for everyone will understand who gives time and pause to think, that the very essence of mass production involves the cheapening of the products in the country where the mass production is carried on. That is the effect of the trade agreement with the United States.

I mentioned the British trade agreement. I have only one hope to express to the Minister of Finance and his Prime Minister; I hope that when he found the same prime minister, Mr. Baldwin, who attended at Ottawa, and the same chancellor of the exchequer, in the person of Mr. Chamberlain, he assured them once more in dealing with them that they were the "same old Tory conspirators." "Tory conspiracy" is what the Prime Minister called the conference when we dealt with the matter in 1932. I wonder if the same men have now ceased to be Tory conspirators. There seems to be some doubt as to what is meant by the words "Tory conspiracy." If you look up Hansard you will find that the Prime Minister of to-day denounced the Ottawa agreements as being the work of Tory conspirators. I merely remind him that the same gentlemen still hold office in the United Kingdom and I hope the Minister of Finance found his pathway easier by reminding them that they were Tory conspirators.

One word more, to the Minister of Labour (Mr. Rogers). It would be unfair to take up the time of this house now in a detailed discussion of matters that must be discussed very carefully as the days go by. One of the first questions I asked when I came back to this country was as to the number on relief, and I found it was approximately a million. I have it in the press, in a report made by a competent and thoroughly responsible official, that the number receiving relief is six to eight per cent more outside the drought area than it was a year ago, and when the drought area registered its maximum it made the figures approximately twelve per cent more than last year.

Mr. ROGERS: That is including the drought area.

Mr. BENNETT: I say, after including the drought area it will be twelve per cent, based on present figures, over last year. I am only taking the figures from this report.

The public memory is notoriously short, and Hansard has a habit of enduring. I ask the Minister of Labour to read in Hansard from 1930 to 1935 only the speeches of his own party, and then to tell this house and the country what explanation he can give as to the number of those receiving relief being a million. Of course we do not expect wonders to be worked in a single day, and the age of miracles, as some one has said, is past. But surely anyone reading these speeches had the right to expect, nay to demand, that there would be a great falling off in this number. O how they used to flaunt these figures! What sweet morsels they were under their tongues! They used to rejoice that this number had not been reduced. Well, Mr. Speaker, we shall all await with much interest the Minister of Labour's explanation.

Mr. ROGERS: I will give it.

Mr. BENNETT: Oh, I have no doubt at all about that. But even he, with his profoundly mathematical and philosophic mind, will have some difficulty, I think, in demonstrating that two and two do not still make four. The figures are not of my making. I wish they were not what they are. But, reading the literature upon the subject as created in this parliament by those who now occupy the treasury benches, and comparing it with this record, is it any wonder that some of the hon. gentlemen's colleagues laugh quietly to themselves and think of the past as something they would forget.

Mr. HANSON: You must give them time.

Mr. BENNETT: I thought hon. gentlemen would ask for time. But when it was suggested by the late government that improvement would be gradual, we were told that time was made for slaves and that the only thing which was required was a change of government when this relief problem would at once vanish into thin air and the unemployed would be as dew before the morning sun. Well, I shall listen with interest to the explanation which the hon. gentleman has promised. I hope it will not be visionary, and I hope it will not consist of eulogies of men who work for nothing and devise plans that involve vast expenditures.

Where is this taxpayer about whom we heard so much in the last five years? Where is this forgotten man, the taxpayer? I remember so clearly the profound concern of the then leader of the opposition, now Prime Minister, for the overburdened taxpayer of this country. I remember his hopes for that forgotten man the consumer. Where is the consumers' league?

An hon. MEMBER: He is at the end of the row.

Mr. BENNETT: Oh, yes. I remember all that, and now I shall listen indeed with gratitude and interest to the explanation of the Minister of Labour. I am sure it will do justice to his imagination if it is an explanation, but he must not do violence to facts.

I am sure, Mr. Speaker, none of us does not feel a sense of great apprehension about the drought situation in western Canada. In August last I saw a farmer who told me that for five successive years he had had no crop. As to just what the effect upon our country of these succeeding droughts may be I shall not hazard an opinion, but I know that abroad there is apparently a conviction, at any rate there is a doubt as to whether that drought area, in parts, should be an agricultural country at all. That feeling is becoming very well marked in quarters where I wish it were not, and anything that can be done to bring about an amelioration of that condition will have the earnest support and assistance of those who sit to the left of Mr. Speaker.

I was interested in hearing the record of the government's giant efforts in the last year to solve the railway problem. I remember reading in a press notice that that super-superman, the Minister of Transport (Mr. Howe), had been labouring incessantly, twenty-five hours out of every twenty-four, giving his undivided attention to every problem that affects the well-being of the state and that he had found a solution for many of these problems. Well, we anxiously await their disclosure to this interested house. I know this, that in the money centres of the world the railway problem is regarded as the one most serious in the life of this country, and it may be that our superman, working long over hours, has been able to find a solution. If so, he will have the gratitude of all well-thinking Canadians. But if he is going to bring about a solution by reducing the capital structure to a point that does not represent the money which the Canadian people have put into the enterprise, or if he is going to try to make people believe that $47,000,000 pays the obligations, as he did in his speech the other day, then he will be woefully mistaken, and his solution of the problem will leave the country cold. I can tell him that with great certainty.

Of course, in the selection of these boards to which reference is made, no consideration was given to the political affiliation or views of those who were appointed. I have it on the strength of one of these articles that the Minister of Transport himself is hardly conscious of his political views, and so desirous is he of being a just and upright judge in Israel that he finds it difficult from day to day to determine what his political views may be. Let us hope, however, that the appointments as made were made in a moment of absent-mindedness of that high mantle that had fallen upon his shoulders, and at a moment when he had ceased to be that delightful non-partisan judge that his eulogists would have us believe that he was.

Of course, we had to have something with reference to the bank. What has been done in dealing with the bank I leave it to the government's own supporters to say. But if anything was ever futile in this world it was to increase the capital of the bank by $5,000,000 and try to make it earn 4¼ per cent when the going interest rate on the bonds, in which investments are made so largely, was much less. I shall have something to say about reserve banks. The Reserve Bank of Australia has contributed $25,000,000 to the revenues of that country.

There is only one word more. We shall await the measures and see what they are, with respect to the questions of air service and the railway commission and its extended powers. I remind the government, however, that on more than one occasion efforts have been made to extend the powers of railway commissioners, and for some strange reason it has been found difficult to do so and to come within the provisions of the law. I looked in vain in the trans-Canada air service, for any allusion to those very laudable wishes of the Minister of National Defence (Mr. Mackenzie). I had expected to read that he had provided adequate aircraft at least to protect the neutrality of Canada but I find, looking through the speech from the throne, that we are going to have a trans-Canada air service and are going to provide for that. There is, however, nothing for the protection of the neutrality of this country if there should be a war. Those hon. members who are familiar with the history of the world will remember that on one occasion, when the United States was a very young country, with a population scarcely that of Canada, France endeavoured to compel her to buy her neutrality; and those who remember those coins of the United States will recall the words, "Millions for defence, not one cent for tribute." That was the answer of a small and scattered population when an effort was made to induce them to buy the neutrality which they had declared. Sometimes I think, when I hear the observations of some of my friends, they little realize what the maintenance of neutrality means. We are not equipped to maintain neutrality, even that fine neutrality of mind of the Minister

of Transport; we cannot have even anything such as that. But we are to have a trans-Canada airway, and doubtless at the appropriate time the Minister of National Defence will be able to make a supplementary statement indicating the extent to which this may be available for the protection of neutrality.

The last measure referred to is one of the most dangerous that can possibly be considered by this parliament. To introduce legislation that will compel people abroad who hold our securities payable in a certain manner to be satisfied with the tender of pieces of paper is a matter which calls for the most careful consideration. I am sure the Minister of Finance has no misunderstanding or misapprehension of the grave implications of such legislation, apart altogether from our capacity to enact it, when dealing with securities that are held outside the dominion. I can only await the legislation in that regard.

Mr. Speaker, during the last few months there has been increasing evidence of the attacks that are being made upon the democratic form of government. In a great many quarters democracy is being attacked as it never has been before. The contention is being urged that the condition that prevails in this house by which the government, with forty-six per cent of the votes cast at the election, should have so vast a number of supporters, is the negation of the sound principles of democratic government. I do not know whether that can be remedied by any means that we can use, but certainly in Australia compulsory voting has had a beneficial effect. I know the attacks on our democratic form of government are increasing. I know, if we persist in believing, with regard to the question of appointments, that a man has to be a defeated candidate to be eligible for office at any time, we shall have grave difficulty. I know there has never been a time since this dominion came into being in 1867 when there was greater reason for every hon. member of the house, and the government in particular, to realize that it is not a question of party as such that must be considered, but that if we are to maintain government of the people, by the people and for the people, what must be considered is the well-being of the people regardless of the effect it may have upon the political fortunes of those who for the moment are entrusted with power. I say that seriously. It is no good, after pandering to prejudices and appealing to passion, to hope that in the end you will do other than destroy the very democracy that we are endeavouring to sustain. And the expenditure of public moneys on a large scale, a very large scale, putting into the hands of the people money to the extent of millions of dollars, can in the long run have but one effect. You have only to read the history of France to appreciate and understand that.

As far as we are concerned any measures which the government may submit to this house for parliamentary sanction and approval, which have for their end the improvement and strengthening of democracy and the removal of the conditions to which the hon. member for Gloucester referred in that very thoughtful summary of conditions which he gave us—although I could point out to him that the use of the word "dole" is not quite appropriate with respect to conditions as they now exist in England—anything which will assist in the accomplishment of that end—and I speak for those, few in number but representing nearly as many voters as the great numbers of the government yonder—we will gladly and proudly support. As Canadians we are anxious to do our best to preserve the integrity of our country and to maintain our democratic institutions.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I am pleased indeed that my first word this afternoon should be one of welcome to my right hon. friend on his return to Canada and particularly to his place in this House of Commons from his journey around the world. I extend this welcome to him, if Your Honour will permit me so to do, on behalf of all hon. members in this house. We are glad to see that he has returned obviously much benefited in health, and equally obviously greatly benefited in spirits. I sincerely hope that the improvement which is so evident to-day in his outlook upon affairs generally will long continue. Personally I cannot imagine any more certain evidence of the country's progress in the past year than that my right hon. friend has been able to recognize it so completely in the short time since his return to Canada.

I wish also to thank my right hon. friend for the note of cooperation with which he began his remarks and with which he closed them. He said frequently when he was on this side of the house that the government needed the cooperation of the opposition on

great public measures, and I thank him for keeping that thought in mind and offering to support us to the extent of his power on measures which merit general approval.

The right hon. leader of the opposition (Mr. Bennett) referred to the fact that the coronation ceremonies, which come in the month of May, to be followed by an imperial conference, have contributed to the obligations of the administration, and will necessitate, if we are not to have a continuation of the present session in the summer or fall months, a degree of cooperative action on the part of all parties in the house. May I say that the government have in mind the desire of hon. members to conclude this session before the coronation ceremonies if possible, and we will endeavour to bring forward our measures, particularly those likely to be of most concern to hon. members, at as early a date in the session as possible. We will do everything we can to expedite the business of parliament, but I should like hon. members to understand that our desire to expedite the business of parliament must not be considered in any way as a willingness to give to the business of the country other than the fullest attention which necessity may require. If as I said we cannot get through with the work of the session in a satisfactory way by the end of April, parliament will adjourn, to meet later in the year after the coronation of King George VI and the imperial conference; not another session of parliament; but a continuation of the present session. I believe, however, that with the cooperation of all it should be possible to carry through the work of the present session satisfactorily and in time to enable us to prorogue before that historic event.

May I say to my right hon. friend that the government desire to extend to him an invitation to be a member of the delegation of this parliament which will attend the coronation ceremonies. I hope that the right hon. leader of the opposition may find it possible to accept this invitation and so honour parliament by becoming a member of the delegation which will represent Canada at His Majesty's coronation.

Some hon. MEMBERS: Hear, hear.

Mr. MACKENZIE KING: My right hon. friend has spoken of the abdication of his former majesty King Edward VIII. He said that he felt that the matter was closed and should not be reopened. In those remarks my right hon. friend, I am happy to say, reechoed what I myself expressed in this house last week. However, I did give to parliament an assurance that I would make a statement at an early opportunity with reference to the abdication, and perhaps it might avoid further references during the course of this debate and later in the session were I to take advantage of this occasion, which is an appropriate one, seeing that the address refers to the abdication, to make the statement I have in mind.

With respect to the abdication of the former king, there are two issues which it is well to keep separate and distinct. The first issue has to do with the events which led up to the king's decision to abdicate, including the question of such advice, if any, as may have been tendered to His Majesty. The other issue is the constitutional and legal propriety of the course followed by the government of Canada to give effect to the king's decision and with respect to the matter of the succession.

As to the first of these issues, may I say at once that Mr. Baldwin, Prime Minister of Great Britain, made a very full and very moving statement to the parliament at Westminster on December 10 with reference to the events, as known to himself more than to any other person, which occasioned the action taken by His former Majesty King Edward VIII. I hope it will not be necessary for me to do more than direct the attention of hon members of this house to the fact that no one in the British parliament, of any party in either house, questioned the absolute sincerity and integrity of Mr. Baldwin's utterances.

Mr. BENNETT: Hear, hear.

Mr. MACKENZIE KING: May I, moreover, add that His former Majesty, on the first occasion that he had, as he himself said, of speaking on his own behalf without any constitutional restraint, stated in a broadcast which he made to the entire world, that he had always been treated with full consideration by the ministers of the crown and in particular by Mr. Baldwin, the prime minister, and that at no time had there been anything in the nature of a constitutional difference between him and them, or between him and parliament; that the decision he had made was entirely his and his alone. He emphasized that at no time had there been any conflict between himself and his ministers.

I think the matter might well be left at that point. I confess I would leave it there immediately were it not for the fact that some remarks made by the hon. member for Winnipeg North Centre (Mr. Woodsworth) may have given rise to some misunderstanding in the public mind or may have created some

suspicion. I think his remarks, in so far as they might have that effect, should be replied to at this time. What I have further to say will be said largely with that object in view.

Let me make clear first of all that so far as the government of Canada is concerned—and I refer now to the statement of my hon. friend that there had been connivance between the government of Canada and the government of Great Britain, or between myself and Mr. Baldwin with regard to the king's abdication—the first communication received by myself or the government from Mr. Baldwin came after Mr. Baldwin had had three conferences with His former Majesty. Mr. Baldwin has told of one of these conferences which came about at his own instance, in which he spoke to His Majesty as a counsellor and friend. He then referred to three other conferences which he had with the former king, each of which was at the request of His Majesty. At the first of these conferences the king had intimated to Mr. Baldwin that he intended to marry Mrs. Simpson; that he realized that she could not be queen, and that he was "prepared to go." I believe that was the expression used. Mr. Baldwin stated that naturally he was greatly surprised at any such thought in His Majesty's mind and so expressed himself, and said he would require time to think the matter over.

The next interview came when the king himself again sent for Mr. Baldwin. At that interview the king raised a new question, which was as to whether in Mr. Baldwin's opinion the parliament at Westminster would enact a law which would permit him to marry the lady to whom he had referred, she however not to have the position of queen but to live with him at Buckingham Palace as his wife, to take no part in affairs of state, he on his part and she also agreeing that as far as any issue of the marriage was concerned, such issue should be barred from succession to the throne. Again Mr. Baldwin expressed surprise at the matter concerning which his view had been asked. He stated that he would need time to consider the question and pointed out to His Majesty that in considering the question further it would be necessary for him to put the matter formally before the whole cabinet and communicate with the governments of the several dominions since the governments of the dominions were concerned equally with the government of Great Britain in anything which might affect the crown. His Majesty recognized this to be so, and Mr. Baldwin left His Majesty after the interview with the understanding that it was His Majesty's wish that the dominions would be communicated with.

As I have said, it was after these interviews that the first communication came from Mr. Baldwin to myself, from Mr. Baldwin as Prime Minister of the United Kingdom to myself as Prime Minister of Canada, with an intimation that a similar communication was being sent to the prime ministers of the different dominions of the British commonwealth. Mr. Baldwin asked in the communication he sent me whether I would inform him as to what I thought would be the opinion of the people of Canada with respect to the two matters to which I have referred, first the marriage of the king to Mrs. Simpson, she becoming queen, and, second, the marriage of the king to Mrs. Simpson, she not to become queen, but to be the king's wife as described. Mr. Baldwin said that he wished to have this information from the different dominions in order that their views might serve as a guide to him in giving further consideration to the matter.

I replied to Mr. Baldwin's communication, giving it as my view that the people of Canada would not approve of either arrangement.

Some hon. MEMBERS, hear, hear.

Mr. MACKENZIE KING: Shortly after that communication had been sent, our government was formally advised that His Majesty the king was considering abdication. We were told that His Majesty had asked as to the British government's view with regard to the question of a morganatic marriage, or rather I should say had asked the Prime Minister what he believed, having had an opportunity to consult his colleagues, would be the view of the British government and of the British parliament with respect to the enactment of a morganatic marriage act. Mr. Baldwin replied that his inquiries had gone far enough to show that neither the governments of the dominions nor the United Kingdom government would take the responsibility of introducing any such measure. The king stated that he was not surprised that it was so, and apparently no further reference was made to the matter.

The point I wish to make clear here—and I am stating these matters as they came in correspondence to me; all have been publicly stated in Mr. Baldwin's remarks to the British house—is this, that no advice was tendered to the sovereign except in relation to this one question which I have mentioned, nor was advice sought in any other particular. An intimation was received from the Prime Minister of Great Britain to the effect that possibly the different dominions might wish of their own accord to tender advice to His

Majesty. There had been reports in our newspapers, dispatches from the old country —and they were alluded to by my hon. friend the other day—to the effect that Canada was initiating or insisting upon action in this matter. Just why some people in the old country find it necessary continually to seek to have it appear that Canada is the country that is pressing for certain things, I am unable to understand.

When I read these cables, I had very much in mind what happened some months ago when we were told by a section of the press of the old country that it was Canada's proposal that there should be sanctions imposed against Italy of a character that theretofore had not been imposed, that Canada was insisting in these matters. I thought it advisable very promptly to remove any misconception of that kind with respect to the existing situation, and accordingly I issued the following statement to the press on December 4. I believe hon. members will agree that throughout this entire matter I have preserved in so far as it was possible, holding the position I do, as discreet a silence as could be observed, and when I broke it I did so only to prevent erroneous impressions gaining ground which it might be impossible for us later on to overtake. The following is the statement I issued to the press:

There is one thing I should like to say about many of the cabled communications which have appeared in our press. It is quite wrong to allege that in the existing situation any proceeding or course of action in Great Britain has been at the instance of or upon the insistence of the dominions, and of Canada in particular, as distinguished from the United Kingdom. I can, of course, speak with knowledge and authority only in so far as Canada is concerned, but I believe what I am saying will be found to be equally true of all the self-governing dominions.

There is and has been on the part of the Prime Minister and government of the United Kingdom full recognition of the fact that the several dominions are vitally interested in all that pertains to the crown. As a consequence, there is, and has been, consultation between the several governments. The initiative has necessarily been with the British government. It has been taken, however, with due regard to the collective concern and responsibility of the several governments of the British commonwealth.

I have mentioned, Mr. Speaker, that in replying to Mr. Baldwin's first communication I did so entirely on my own. In that particular my attitude was similar to that of Mr. Baldwin himself in relation to his colleagues. He intimated to the House of Commons at Westminster that having regard to the character of the conversations held and the critical situation involved he had thought it advisable to deal with the matter himself in the first instance before having it come into the arena of general discussion and into the light of publicity, the occasion for which he had hoped might never arise. However, when the matter once came before the British cabinet, and I was so advised by the Prime Minister of Great Britain, I immediately communicated to my colleagues the opinion that I had given to Mr. Baldwin. We considered at that moment if we should advise His Majesty on our own as was done by some of the other dominions. My colleagues shared in its entirety the view which I had expressed in my communication to the Prime Minister of Great Britain and authorized me in communicating further with the Prime Minister to say that he might convey to His Majesty the view which I had personally expressed as the view of the entire cabinet; that it expressed our united opinion of how the situation would be viewed by parliament and by the country.

The one question upon which we really had to express an opinion was whether or not we could as a government undertake the responsibility of introducing to this parliament a bill to make possible a morganatic marriage. We felt that no government in Canada would for one moment think of assuming that responsibility any more than in any of the other dominions of the British Empire or in the United Kingdom itself. Nor did we believe that if such a measure were introduced it would get the support even of my hon. friend from Winnipeg North Centre (Mr. Woodsworth).

May I say that we took one further step. When it became publicly known that the issue had narrowed down to the one point to which I have referred, where His Majesty had himself to choose between two loyalties and decide which of the two he would choose, we as advisers to His Majesty on behalf of the Canadian people felt that we should send a communication to him which would let him know, without any question, what in our opinion was the right thing for His Majesty to do. Accordingly, after conferences with my colleagues in the cabinet, on December 8, I called on His Excellency the Governor General, His Majesty's representative, and asked His Excellency if he would communicate to His Majesty an expression of opinion from the government of Canada in relation to the situation which His Majesty was considering. This opinion was communicated at once by His Excellency and was received by His Majesty before a final decision

was made. What I asked His Excellency to communicate as a direct message to the king from his Canadian ministers by myself as Prime minister was as follows:

> My colleagues and I desire to have Your Majesty made aware of the deep sympathy we feel for you in the momentous decision which, at the present time, you are being called upon to make.
>
> There is no doubt in our minds that a recognition by Your Majesty of what as king is owing by you to the throne and to Your Majesty's subjects in all parts of the British commonwealth should, regardless of whatever the personal sacrifice may be, be permitted to outweigh all other considerations.

A formal acknowledgment of that particular communication was not received from His former Majesty, but hon. members will recall that in His Majesty's communication to his several governments advising them of his decision to renounce the throne, he expressed his appreciation of the appeals which had been made to him to take a different decision. He emphasized as well that the decision was entirely his own.

The former king made one further statement, and it is one which I think we should all have in mind. He said he hoped he might have the understanding of his peoples and he asked his peoples to believe that the decision he had taken was that which he believed was best for the stability of the throne and empire and the happiness of his peoples. I believe that His Majesty in those words spoke sincerely, and that in making the decision he did he took it, as he has said, from the standpoint of what, as he knew the situation himself, he believed would be most in the interests of the throne and of his peoples. That, however, is an individual opinion, and each must form his own opinion. May I add that I hope none of us will be too quick to judge any man's actions, and least of all the actions of one who has carried the burden which the former King Edward bore for so many years.

I do not want this matter to pass in this parliament any more than Mr. Baldwin wished it to pass in the British parliament without saying that so far as Canada is concerned the decision taken by His Majesty is one which the people of Canada received with a feeling of the deepest sadness. We shall always remember the impression formed of His former Majesty when he visited this country as Prince of Wales. We shall always remember the way in which he shouldered the duties of kingship during the short period of his reign, and above all we shall never forget the gracious manner in which he accepted the invitation of the war veterans of Canada to proceed to Europe to unveil the monument at Vimy in memory of those who had lost their lives in the Great war. It is of interest that this should have been the only official occasion in the reign of His former Majesty on which he visited the continent of Europe.

I think, Mr. Speaker, that I have said about all that needs to be said with respect to the circumstances which led up to the king's abdication and this country's part in relation thereto. I have given parliament what I have given to-day in order that this house, the other house, and the country should know of Canada's part in the matter. I cannot think of anything in the correspondence which I have kept back which would be at all pertinent. I have tried to give everything of significance. I believe the statement I have made will clear the minds of the public of this country of any doubt, if there should happen to be any, with respect to the wisdom of the part which this government took in relation to what preceded the actual abdication of the king.

In connection with this whole matter there was necessarily a great deal of correspondence, as correspondence took place, not only with Great Britain but with the governments of the other dominions of the British commonwealth. When it became apparent that there was a possibility, then a probability, and, finally, a certainty of the king's abdication, it became necessary for all governments to consider very carefully what their action would be with respect to the enactment of a measure or measures to give effect to the instrument of abdication and with respect to questions which might arise pertaining to the succession.

May I point out two considerations which it seems to me are necessary to be kept in mind at all times by all the governments of the British commonwealth when dealing with questions which may affect the commonwealth as a whole. On the one hand, there is the importance of laying emphasis upon national autonomy and, on the other, the equal importance of laying emphasis upon imperial unity. These two must be regarded as inseparable if the British commonwealth is to hold together. There are times when it is necessary to emphasize strongly the position of our national autonomy; there are other times when it is equally desirable that the need of unity between all parts of the British Empire should be strongly stressed. If there ever was a time in British history when it was of importance that the unity of the British Empire should be demonstrated to all the other nations of the world, it was when a question affecting the crown itself was under consideration. Our government, in its every

action, kept before it the importance of preserving everything that was essential to national autonomy, but equal emphasis was placed upon a unity which was never felt more strongly than at this particular period.

What this incident has served to reveal is that because of our British parliamentary institutions there is a bond as between the different parts of the commonwealth, the strength of which, perhaps, the world has never previously known. As a result of that bond, as a result of the understanding which one part of the empire has of matters which are of concern to other parts, it has been possible for the United Kingdom and all the dominions to take the concerted action which has met with general approval in the parliaments of all.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. MACKENZIE KING: Mr. Speaker, when the house rose at six o'clock I had been speaking on matters pertaining to the abdication of the former king. I pointed out that there were really two issues: one, the events which led up to the abdication, in connection with which it was important to consider what advice had been tendered to His former Majesty; the other issue being the propriety of the procedure from a legal and constitutional point of view adopted by this Canadian government at the time of the change of sovereigns. I had completed all that I wished to say on the first issue. I shall now have a word or two to say with regard to the second.

In considering the action of the government it is necessary for the house to understand just when it was that the government was advised of the final decision of the former king to abdicate. Perhaps hon. members will be interested in knowing that the first definite word we received came very late on the evening of Wednesday, December 9. At that time we were informed that on the following day His Majesty intended to execute an instrument of abdication renouncing the throne for himself and his successors and that legislation would immediately thereafter be introduced in the British house giving effect to the abdication and barring from succession to the throne any issue of King Edward. It was early on the morning of the day following, Thursday, December 10, that we received the actual word from Buckingham Palace that the king had executed an instrument of abdication and had communicated his intention to renounce the throne for himself and his descendants. That word was sent from Buckingham Palace to His Excellency the Governor General by cable. It was immediately communicated by His Excellency to his ministers. Subsequently that information was sent by mail also from His Majesty the king. Both the instrument of abdication and the communication were signed in His Majesty's own hand. Both of these documents were read to hon. members of the house on the day of the opening. Perhaps I should make it clear that His Majesty sent the original of the abdication and the original of his communication announcing his intention, not only to both houses of parliament at Westminster, but to each of the governments of the self-governing dominions. The documents which came to Canada are now in the safe custody of the privy council.

Immediately after receiving this authoritative information, the cabinet, which had been summoned to meet anticipating the receipt of both communications, considered an order in council which was submitted to His Excellency for approval and which set forth the reasons why the government thought it well to proceed in the manner it did, namely to request and to consent to the enactment by the British government of an act which came to be known as His Majesty's Declaration of Abdication Act, 1936.

Mr. CAHAN: Would the right hon. gentleman allow a question?

Mr. MACKENZIE KING: Yes.

Mr. CAHAN: I do not wish to interrupt, but the right hon. gentleman said that he would allow questions if doubt arose.

Mr. MACKENZIE KING: Yes, certainly.

Mr. CAHAN: Did this dominion by any other instrument or document request and consent to the enactment of the act dealing with the abdication? Was that request and consent conveyed through any other instrument or document than the order in council to which the right hon. gentleman refers?

Mr. MACKENZIE KING: No, it was not. Naturally, in preparing for any possible emergency, every possibility was considered, and the British government were advised the day before that in the event of the king abdicating they might expect a communication along certain lines, lines which I am about to indicate. The only official communication which was sent is the one that I am about to read. I think it had better be placed in its entirety on Hansard because it sets forth all of the important stages and also the reasons which governed in the matter of the government's action.

Certified to be a true copy of a minute of the committee privy council approved by His Excellency the Governor General on 10th December, 1936.

The committee of the privy council have had before them a report dated 10th December, 1936, from the Right Honourable the Prime Minister and Secretary of State for External Affairs submitted, with the concurrence of the Minister of Justice, as follows:

1. That His Majesty the king through His Majesty's representative in Canada has, this tenth day of December, 1936, informed His Majesty's government in Canada that he has this day duly executed an instrument of abdication, a copy of which is hereunto annexed;

2. That His Majesty's government in the United Kingdom have communicated their intention to introduce immediately legislation in the parliament at Westminster in order to give effect to His Majesty's instrument of abdication and to provide for the succession to the throne, the said legislation to be based upon a draft bill, a copy of which is hereunto annexed;

3. That the Statute of Westminster, 1931, provides in the second recital of the preamble as follows:

> And whereas, it is meet and proper to set out by way of preamble to this act, that, inasmuch as the crown is the symbol of the free association of the members of the British commonwealth of nations, and as they are united by a common allegiance to the crown, it would be in accord with the established constitutional position of all the members of the commonwealth in relation to one another that any alteration in the law touching the succession to the throne or the royal style and titles shall hereafter require the assent as well of the parliaments of all the dominions as of the parliament of the United Kingdom,

and in the fourth section as follows:

> (4) No act of parliament of the United Kingdom passed after the commencement of this act shall extend or be deemed to extend to a dominion as part of the law of that dominion unless it is expressly declared in that act that that dominion has requested, and consented to, the enactment thereof.

4. That in order to ensure that the requirements of the fourth section of the statute are satisfied, it is necessary to provide for the request and consent of Canada to the enactment of the proposed legislation; and, in order to insure compliance with the constitutional convention expressed in the second recital to the preamble hereinbefore set forth, it is necessary to make provision for securing the assent of the parliament of Canada thereto;

5. That, by proclamation dated the thirtieth day of November, 1936, the parliament of Canada has been summoned to meet on the 14th day of January, 1937;

6. That it is impossible so to expedite the assembling of the parliament of Canada as to enable appropriate parliamentary action to be taken prior to or contemporaneously with the enactment of the proposed legislation by the parliament at Westminster.

The committee, therefore, on the recommendation of the Right Honourable the Prime Minister and Secretary of State for External Affairs, with the concurrence of the Minister of Justice, advise—

(a) That the enactment of legislation by the parliament of Westminster, following upon the voluntary abdication of His Majesty the king, providing for the validation thereof, the consequential demise of the crown, the succession of the heir presumptive and revision of the laws relating to the succession to the throne, and declaring that Canada has requested and consented to such enactment, be hereby approved;

(b) That the proposed legislation, in so far as it extends to Canada, shall conform as nearly as may be to the annexed draft bill;

(c) That the legislation, enacted as aforesaid, shall be submitted to the parliament of Canada, immediately after the opening of the next session, so as to enable the parliament of Canada to take appropriate action pursuant to the provisions of the statute of Westminster;

(d) That His Majesty's government in the United Kingdom shall be informed accordingly.

All of which is respectfully submitted for Your Excellency's approval.

E. J. Lemaire,
Clerk of the Privy Council.

There is attached to the order in council copy of the instrument of abdication and a copy of a bill to give effect to His Majesty's instrument of abdication and for purposes connected therewith, which was entitled, an act to be cited as His Majesty's Declaration of Abdication Act, 1936.

As I have said, that order in council was passed on the morning of December 10, and immediately communicated by cable to His Majesty's government in Great Britain. The cable was received before the bill to which it refers was introduced in the British house. As I have already mentioned, His Majesty's instrument of abdication was executed on the morning of the tenth, and the bill was introduced and received first reading in the British house later on in the day. It passed its second and third readings on the day following and also passed the House of Lords and was assented to on the afternoon of December 11, at which time King George VI immediately succeeded to the throne.

What I wish to point out immediately is this. Our government had, as I have said, no definite assurance that His Majesty King Edward VIII had finally and definitely decided to renounce the throne for himself and his successors until word came from Buckingham Palace itself in the manner I have indicated. Had the government called parliament together before receiving that definite word, it would have been equivalent to an assumption on the part of the government that the king was going to abdicate. It was, I believe, the wish of all parties at that time that His Majesty should not abdicate. I have given to the house this afternoon the advice —if hon. members wish so to term it—which the Canadian government tendered His

Majesty while he was considering his final decision, it expressed the hope that His Majesty would see his way to take the course which was obviously the one which the peoples of the commonwealth hoped he would take. So that until the very end, one might say, or within a day at the most of the abdication, it was not possible for the government to be certain that King Edward VIII had reached an irrevocable decision.

Might I direct attention also to this fact, that had parliament been specially summoned several days would necessarily have elapsed before parliament could have met. Parliament had already been summoned for regular session by His Excellency; we knew that parliament would be meeting on the fourteenth day of this month. It would have taken at least six or eight days for members to gather together here after any summons had been sent out prior to the abdication of the king. Every hon. member of the house has the right to expect that he will receive sufficient notice and have sufficient time to be in his place in the house when important business is being transacted. I believe this house would have censured the government had we not afforded an opportunity sufficient for all hon. members to be in their seats if it had been thought essential to call parliament together for any purpose whatsoever. I wish to make quite clear that it was in every way impossible to have had parliament here in time to pass any legislation prior to the time at which King Edward abdicated, or simultaneously, shall I say, with that of the British parliament—absolutely impossible.

I do submit, Mr. Speaker, that in matters of this kind the government must take the course which it believes will commend itself to members of parliament generally. I am sure that the hon. members of this house would not have welcomed any summons to be here within a limited number of days—any summons that had been sent out immediately prior to the abdication of the king—in order to consider what should be done with respect to the abdication and the accession of the new sovereign. In this matter the cabinet was governed by circumstances of time and space in reference to which all matters have to be considered, and in addition to that it was governed by the common sense of the situation. But may I point out that, quite apart from all that, as the right hon. the leader of the opposition (Mr. Bennett) said this afternoon, there was nothing that this parliament could have done to have prevented the succession of King George VI to the throne once King Edward VIII had abdicated. The minute King Edward VIII abdicated there was a demise of the crown. And upon the demise of the crown the next in order of succession comes to the throne. The next in succession was the present King George VI.

A demise of the crown may take place in one of two ways, either by the death of the sovereign or by abdication. Heretofore in British history abdication has not been thought of except, as my right hon. friend mentioned this afternoon, in one case. Then it was an afterthought rather than a forethought, and it was not believed that anything of the kind would occur again. The demise of the crown occurred the moment King Edward abdicated—and there is nothing to prevent a king abdicating. No parliament can prevent a king abdicating; that is his right and his privilege, and when he abdicates there is a demise of the crown.

Mr. CAHAN: Must not the act of abdication be accepted by parliament?

Mr. MACKENZIE KING: No; I am glad my hon. friend has asked that question.

Mr. CAHAN: The authorities I find seem to indicate it.

Mr. MACKENZIE KING: I beg to differ with my hon. friend. My understanding is—and I have also looked up authorities—that there is nothing to prevent a king abdicating. If he desires to renounce the throne and abdicate there is nothing that parliament can do about it. Parliament may pass acts galore, but it cannot alter the fact that the king has left the throne, and another king has succeeded the moment he has abdicated.

Mr. BENNETT: I think my right hon. friend will reconsider that in a moment, for this reason: His Majesty King Edward VIII assented to the bill that accepted the abdication. If the throne became vacant by the mere abdication he was no longer king. After he had executed the instrument he was no longer king, but he was king until he assented to the bill.

Mr. MACKENZIE KING: That is quite true as regards what happened in this case, but if he had abdicated and gone away and had not waited to assent to the bill it could not have been suggested that he was still king.

Mr. CAHAN: There would have been an act declaring that he had abdicated.

Mr. MACKENZIE KING: Yes, but the fact of abdication rests with the king himself.

Mr. CAHAN: The initiation of it, yes; but if he had left England, then parliament would have had to deal with the situation and pass an act in order to create a demise of the crown. There is no demise on the mere signing of abdication.

Mr. MACKENZIE KING: The authorities I have consulted on the matter all indicate that demise may take place in one of two ways, either by the death of the sovereign or by abdication.

Mr. CAHAN: Yes, when accepted by parliament.

Mr. MACKENZIE KING: That is quite sufficient for me, and that is all I wish to convey to my hon. friend—that the abdication of the sovereign was what in effect created the demise of the crown. The fact that parliament subsequently agreed to the abdication is quite a secondary consideration.

Mr. CAHAN: Oh, no; it is equally essential as the signing of the abdication.

Mr. MACKENZIE KING: Well, assuming it is equally essential, it could not have altered the situation one whit so far as this parliament is concerned, unless my hon. friend is going to suggest that we might have held up the abdication for a week by waiting until the members were summoned. Perhaps that is the point he has in mind.

Mr. CAHAN: I will make my point at the proper time.

Mr. MACKENZIE KING: This government sought to meet the wishes of King Edward in his communication, namely, that effect might be given to the abdication as quickly as possible and that his brother might succeed to the throne without delay, so that there might be as little disturbance as possible politically throughout the country. And that was the wish which the British government sought to carry out. My hon. friend may be contending that we might have waited for a week or two and not assented to the abdication until parliament could have been brought together here.

Mr. CAHAN: I am suggesting no more than I stated, that the act of signing the document of abdication did not effect an abdication until that was accepted by parliament.

Mr. MACKENZIE KING: Well, I will not contend further with my hon. friend on the point. It is a very minor one so far as the issue that I am discussing now is concerned, no matter which way it is decided. The real question at issue at the moment is whether the present government adopted a proper procedure in requesting and consenting to the act which was passed by the British parliament, rather than refusing to take that course and summoning our own parliament to deal with the matter by legislation. If we had adopted the latter course there would meanwhile have been uncertainty, confusion and doubt as to the legality of executive and judicial acts. We would have been inconveniencing every hon. member of this house; we would have been adopting what I think hon. members and the country generally would have regarded as an absurd course, losing altogether the spirit of the constitution and accepting some letter, straining at a gnat and swallowing a camel. But more than that, I would like to know what hon. gentlemen opposite would have had to say about a government which found it necessary at that critical time in the history of the British commonwealth of nations to make Canada's apparent separation from the other members of the commonwealth so marked to all the world. That was the real alternative; that is what we would have been getting in the way of criticism to-day if we had waited for a week for Canada's parliament to assemble and act. Hon. gentlemen opposite would have been saying: When you had the Statute of Westminster before you, and when it contained a clause which gave you all the power needed to have a new sovereign become the King of Canada the moment he became King of the United Kingdom, and you did not take it, what possible explanation is there other than that you are seeking in some way separation from the rest of the empire? That is what we would have heard.

Mr. CAHAN: Does the right hon. gentleman suggest that in view of the relations which exist between Canada and the United Kingdom there could be a King of Canada apart from the King of the United Kingdom? If so, I wish most emphatically to dissent from that suggestion.

Mr. MACKENZIE KING: I am saying what hon. members opposite would have said.

Mr. CAHAN: Well, you might leave them to say it.

Mr. MACKENZIE KING: Some afternoon we might have a pleasant debate on that one question. But I certainly do not want to raise it at the moment.

Mr. CAHAN: But the right hon. gentleman might make his argument without suggesting what other people would say, until they say it.

Mr. MACKENZIE KING: The trouble is my hon. friend interrupts so often that I almost forget the argument.

May I draw the attention of hon. members to the clause in the Statute of Westminster under which action was taken? I have already read it in the order in council, but I think hon. members ought to observe how clear and emphatic it is. After what the right hon. leader of the opposition (Mr. Bennett) has already pointed out, it should hardly be necessary for me to repeat it. But it may serve the purpose of helping to remove doubt if I remind the house that he and I are agreed on the propriety of the course pursued under this section. I shall read to the house the clause as it appears in the act:

4. No act of the parliament of the United Kingdom passed after the commencement of this act shall extend, or be deemed to extend, to a dominion as part of the law of that dominion, unless it is expressly declared in that act that that dominion has requested, and consented to, the enactment thereof.

Hon. members will notice that the language used is, not that the government has consented, or parliament has consented, but that that dominion has requested and consented to the enactment thereof. I am reading from a collection of British dominion papers in The World's Classics edited with introduction and notes by Arthur Berriedale Keith, he being an outstanding authority on Constitutional matters. I read from this particular document because, opposite the word "dominion" there is an asterisk which directs attention to a footnote, and the note is as follows:

The necessity of parliamentary requests was negated by dominion representatives. See parliamentary debates 260, page 279.

The fact is that at the time this particular statute was being considered at Westminster it was moved in amendment that instead of the word "dominion" there should be substituted the word "parliament." But the mover of that amendment was told by the minister in charge of the bill that at the wish of the dominions themselves the word "parliament" should not be inserted, and that the word "dominion" should be left as it was, in order, as the right hon. leader of the opposition has pointed out this afternoon, that in the event of some emergency necessitating action by the government rather than parliament it would be possible for the government to act.

Now let me quote from the debate in the United Kingdom parliament, Parliamentary Debates, vol. 260, page 279:

[Mr. Cahan.]

(Parliament of the United Kingdom not to legislate for dominion except by consent.)

Sir J. Withers: I beg to move, in page 3, line 8, after the second word "that," to insert the words "the parliament of."

If my amendment is accepted the clause will read:

"No act of parliament of the United Kingdom passed after the commencement of this act shall extend, or be deemed to extend, to a dominion as part of the law of that dominion, unless it is expressly declared in that act that the parliament of that dominion has requested and consented to the enactment thereof."

This amendment, to a certain extent, is a drafting amendment. The parliament of each dominion is always referred to as the authority for testing the opinion of that particular dominion, and, therefore, to make the clause read properly, the words I have suggested ought to be inserted.

Mr. J. H. Thomas: —

Mr. Thomas was secretary for the dominions at that time.

—If I had only to consult my own personal wishes I should be quite willing to accept this amendment, but the clause was drafted in its present form at the request of the dominions themselves. The government were indifferent on this point, but the real answer is that as far as the government was concerned we did not care which method was adopted, but what is now proposed was put in at the request of the dominions.

Amendment negatived.

I think perhaps my right hon. friend may have been present at conferences where the matter was discussed, and among others may have given reasons why in his opinion it was better to allow the word "dominion" to stand rather than insert the word "government" or "parliament."

Mr. BENNETT: I think that is correct.

Mr. MACKENZIE KING: To meet possible emergencies. But may I draw the attention of the house to a further reason, which appears in the statute itself, for believing that it was not the intention by the use of the word "dominion" to imply parliament, but rather to leave it optional with the government. That reason appears from subsection 3, clause 9, which relates to Australia. It reads as follows:

In the application of this act to the Commonwealth of Australia the request and consent referred to in section 4 shall mean the request and consent of the parliament and government of the commonwealth.

Now if by "dominion" had been meant the parliament, the Australians would not have asked to have placed in the statute the section which I have just read, which says that notwithstanding what is said in section

4 with respect to any dominion, the request and consent of the parliament must be required, as well as that of the government of the commonwealth.

Mr. BENNETT: That was done at the instance of Sir James Latham, now the chief justice, then the attorney general. We discussed it the other evening.

Mr. CAHAN: And Australia has never accepted section 4?

Mr. MACKENZIE KING: No; Australia has not accepted section 4. I shall not go into the action of the other dominions; if it is desired that can be discussed when we come to take up the bill to which a first reading has already been given. But I think what I have said will make it perfectly clear that the government was acting entirely within the provisions of the statute when by order in council it communicated its request and consent, and secured the insertion of "the request and consent of" Canada in the preamble of the abdication bill, thereby making the provisions of that act applicable also to our dominion when the statute was enacted.

That, I think concludes about all I need to say on the question of the propriety of the procedure. However, I should like to add that I think some word of appreciation should be expressed in this parliament of the service which was rendered to Canada at the time, and to all other parts of the British commonwealth of nations, as well as to the United Kingdom, by the Prime Minister at Westminster, the Right Hon. Stanley Baldwin. I do not think it is possible to speak in too high praise of the sympathetic and sagacious manner in which Mr. Baldwin dealt throughout with one of the most difficult situations with which any prime minister could possibly be faced, and his action, being of the character it was, has placed the entire commonwealth under deep obligation to him.

I should like also to say a word of appreciation of the services which were rendered to our government at the time of this crisis, so called, by the dominion's office in London and by Sir Frances Floud, the high commissioner of the United Kingdom in Ottawa and the members of his staff. Most of the communications from the Prime Minister of Great Britain came to our government from the Dominion's office and nearly all communications from the governments of other self-governing dominions of the commonwealth came through the dominion's office. All reached us through the high commissioner for the United Kingdom resident in Ottawa. Throughout the entire period covered by the correspondence the high commissioner's staff was on duty night and day. I cannot imagine work being more promptly and efficiently performed in every detail than was the case with the work as carried out in this matter by the Dominions office in London and by the high commissioner and the members of his staff in Ottawa.

Now, Mr. Speaker, I come back to other subjects mentioned in the address. May I immediately extend my very hearty congratulations, as the right hon. leader of the opposition (Mr. Bennett) has already done, to the mover and the seconder of the address. This was not a maiden speech for the hon. member for Essex West (Mr. McLarty); we have heard him in this parliament before. Those of us who have had that privilege expected that we would receive from him this afternoon an address of high merit in the manner of its delivery, its matter, its composition and in other particulars. In that we have not been disappointed, but rather, may I say, greatly delighted. A day or two ago I mentioned to the hon. member for Gloucester (Mr. Veniot) and to the house something of the loss we felt this house had suffered in the passing of his distinguished father. After having heard the hon. member for Gloucester this afternoon. I feel sure all will congratulate him on what he has brought to the house in the way of debating ability, and other talents.

In reviewing the speech from the throne this afternoon, Mr. Speaker, the right hon. leader of the opposition, seeking to account for the economic recovery which is so noticeable even to him, undertook to say that he thought it was due in large part to the government pursuing the course of its predecessors. That was the most amazing statement I have ever heard, even from my right hon. friend. Pursuing the course of its predecessors? What was the course of its predecessors, for example, with respect to tariffs in the matter of trade? My right hon. friend went on the theory that the higher tariffs were raised the more trade would increase. He believed that if you had embargoes you would help along good will between nations and assist in the development of international trade; at least that is what I assume from his actions.

The present administration, when it came into office, instead of seeking to pursue the policies of my right hon. friend began to reverse them as rapidly as possible. When, on coming into office, we were confronted with a

cessation of trade with Japan because of some industrial or commercial war with the Japanese upon which my right hon. friend had entered, we very soon found a way to reach an agreement which did away with the cutting off of trade between Japan and Canada and brought about a rapid and extremely valuable increase of trade which has meant much to thousands of men who were unemployed in British Columbia, and which has aided employment in other parts of Canada as well. Then instead of pursuing my right hon. friend's policies and placing embargoes against other countries, we succeeded in having the embargo against Russia removed, thereby making clear our desire to further friendly relations with every other country in the world, Russia being the only country against which we had found this extreme form of discrimination.

What about pursuing my right hon. friend's course with respect to reciprocity? For three years in this country my right hon. friend told us that reciprocity with the United States was a good thing, that it ought to come about and that it would come about, but it never came about under any of his policies. It would not have come about yet if my right hon. friend had been returned to office. We, however, immediately took up the question of effecting a reciprocal trade agreement with the United States, and we brought into existence a trade which has been of great mutual benefit to both the United States and Canada. Just in passing may I say a word as to the effect to that agreement in one particular only, namely, the items in the United States tariff that were reduced under the United States-Canada agreement. In the first eleven months of 1935 the exports from Canada to the United States amounted to $32,698,966. Last year in the corresponding period they amounted to $53,086,653, or an increase of 62·3 per cent. That was only with respect to those commodities which entered the United States under a lower rate of duty, as a result of the agreement.

What about wheat? My right hon. friend's policy with respect to wheat was to hold wheat and not sell it. As a result this country was getting such a quantity of wheat in storage that the surplus was creating a problem of itself. This government entered upon a policy of selling wheat, and as a result of that policy a great burden of contractual obligation has been lifted off the shoulders of the nation and the farmers of western Canada have profited immensely in ways they previously had but little reason to expect.

[Mr. Mackenzie King.]

During recess I took time to make a note or two on the difference between the policies of hon. gentlemen opposite and ourselves in respect of trade. We on this side of the house believe that recovery is bound up with the restoration of international trade. Our policies have been based upon this conviction and have sought to secure, on the basis of reciprocity, the reduction of tariffs and the removal of restrictions which have choked and encumbered our trade with the world. The trade agreement with the United States of America, the ending of the tariff war with Japan, the simultaneous lifting of the embargoes which had brought trade with the U.S.S.R. to a standstill and the negotiation of additional trade agreements, of which some will be ready for submission to this house very shortly, have, each in some degree, helped to assure a wider market for Canadian products. I should mention also the agreement between Canada and the United Kingdom, which has been concluded in principle and which will be shortly signed and presented to parliament at this session. We believe that this agreement also will serve further to increase the trade between Great Britain and Canada.

Not less important than the visible and conspicuous reductions in the rates of duty applicable to imported goods, which have been consolidated in trade agreements, has been the elimination of the arbitrary and often invisible interference of governmental agencies in the normal course of trade. We have cancelled scores of arbitrary valuations, limited the scope of the application of dumping duty to the protection of legitimate and substantial domestic interests, and set up machinery for the impartial, judicial review of departmental decisions in these matters. The steps that we have taken do more than establish the direction of our course and the character of our goal; they mark ground gained.

At this stage we cannot submit more than an interim report—work in progress and ahead of us is more important than the work yet accomplished. Nevertheless, in insisting on the vital necessity for Canada of attaining our final objectives we must not underestimate the record of positive achievement during the past fifteen months to which I have briefly referred. In that period, Canada can invite comparison with any other country in the world in the number and magnitude of tariff reductions. Our contribution to the collective responsibility of the nations for restoring freedom of world trade is being fully and honourably met. We are doing our part and, in

collaboration with the United Kingdom and the United States and other like-minded peoples, we hope that we can continue the efforts so auspiciously begun.

I have referred freely to the notes which I have because of the importance of the statement which I have just made in what I believe is its international bearings. At this time of all times in the history of the world some governments should lead in elimination of those restrictions which have been making for economic nationalism in the past, and, through economic nationalism, for war. I submit, Mr. Speaker, that if to-day the countries of the world are threatened as they have been for many months past, and indeed for a year or two past, with grave international strife, it is due more to the tariff walls which have been put up as between different nations and the restrictions imposed upon trade as between different countries than to any other single cause. We who are members of the Liberal party of Canada, since we came into office, have done our utmost, having due regard for the position of the country, the needs of industry and other like considerations, by the lowering of tariffs and the removal of other restrictions to promote trade and to show to the nations of the world with no exception whatever our desire and our willingness to further international trade and, with it, international good will and international peace.

My right hon. friend has also referred this afternoon to the government's action with respect to the sale of wheat, and he has asked by what authority we took the step we did. May I say to him that before taking action in the matter we conferred with the chairman of the wheat board, and we also took counsel with the law officers of the crown, and the law officers of the crown assured us that in taking the step we eventually did we would be entirely within the law which governs in this matter. I am not going to enter into a legal argument with my right hon. friend at this moment, but I am giving him the facts with respect to the government's action as taken at the time it was.

The government carried out its statutory obligation, which was to approve or disapprove the recommendation of the board with respect to fixing a price. The duty of the board was to fix a price, and the government's to give such approval as it saw fit. It was quite within the province of the government to attach a provision if it so desired. The machinery of the act has been preserved and is ready to function in the event of emergency conditions returning. The main purpose of the act, if I mistake not, was to help solve the existing wheat problem.

Now what are the facts, for after all the merit of any course of action is best judged by the results. During my right hon. friend's term of office it was found necessary to fix a minimum price of 87½ cents for wheat. Since the present administration took the action to which my right hon. friend now takes exception, wheat has never dropped below 94 cents, and it has gone up as high as 128 cents. I think the farmers of this country will view the actions of the respective administrations by the prices which they have been able to get for their grain as being perhaps the most effective of all indices.

Mr. BENNETT: But they did not get it.

Mr. MACKENZIE KING: My right hon. friend also took exception to governor general's warrants having been issued in connection with drought relief purposes, and asked how it was possible that this administration, which had taken such exception to steps of the kind in the past, could have itself entered upon a course of governor general's warrants. May I say to my right hon. friend that the course taken by the administration was taken in accordance with the statute which governs governor general's warrants and is in accordance with the course which, when I was sitting where he is sitting to-day, I urged upon him as the proper course to take as opposed to proceeding under blank cheque legislation. I told him repeatedly that as against payments by blank cheque authority, of which there was no proper control by parliament, this house would prefer, where an emergency existed, if appropriations were inadequate to have the government resort to governor general's warrants, notification to be given to parliament immediately after it assembled as to the use to which the warrants had been put. Let me read the section of the Consolidated Revenue and Audit Act, which deals with the use of governor general's warrants. It is chapter 27 of the Revised Statutes, 1931, section 25 (1):

> If, when parliament is not in session, any accident happens to any public work or building which requires an immediate outlay for the repair or renewal thereof, or any other occasion arises when any expenditure, not foreseen or provided for by parliament, is urgently and immediately required for the public good, then upon the report of the minister that there is no parliamentary provision, and of the minister having charge of the service in question that the necessity is urgent, the governor in council may order a special warrant to be prepared,

to be signed by the governor general for the issue of the amount estimated to be required, which shall be placed by the minister to a special account, against which cheques may issue from time to time, in the usual form, as they are required.

If ever there was an occasion where the necessity was urgent, and where it had been impossible to foresee the emergency, it was the one alluded to by my right hon. friend. May I quote to him what I urged upon him repeatedly with respect to the use of governor general's warrants? I quote from the Hansard of 1933, March 3, page 2679. Speaking of the use of governor general's warrants to meet emergency relief purposes, I said:

> In dealing with questions of great emergency especially where human life is at stake, this House of Commons of Canada has never taken exception to a ministry taking the one course which it can constitutionally take in cases where an appropriation has not been made or is inadequate, of asking for a governor general's warrant to meet a particularly emergent situation until parliament can be brought together. I made it very clear at the beginning of the special session in 1930, that, if the ministry found difficulty in estimating what would be required for the purpose of meeting some very critical situation in the matter of relief, and, if it should be necessary, before parliament could be brought together, that a certain expenditure should be made by governor general's warrants on account of the urgency of the human need involved, those of us who sit on this side of the house would take no exception to that particular course, provided that, in the first instance, parliament had been given the control it should have.

I think, Mr. Speaker, I have effectively answered my right hon. friend as to the use of governor general's warrants in the case to which he has referred.

In the course of his remarks the leader of the opposition referred to the League of Nations, and with what my right hon. friend said in that connection, as indeed with much else of what he said to-day, I am in entire accord. I agree with my right hon. friend when he says that Canada would not have entered the League of Nations had she not believed that the league was likely to be universal in its membership, and in particular had she not believed that the United States would also be a member of the league. I shall not at the moment attempt to discuss League of Nations' matters. I may say that at an early stage of the session opportunity will be afforded for the discussion of international affairs when we are taking up the estimates of the Department of External Affairs. However, I should like to reiterate in further part what the right hon. leader of the opposition has said. Because there has been a failure on the part of the league with respect to some matters for which it was formed, that is no reason why every effort should not be made by the different countries to remedy what defects there may be in the constitution of the league and to change the application of the covenant in such ways as may be necessary to bring about the universality of membership upon which the league was originally intended to be based and without which it is very doubtful if it can be made the success which the nations hoped it would be.

I do not know that there is anything further that need be said in reply to my right hon. friend, except perhaps a word on the subject of relief. It is quite true that unfortunately the numbers on relief are not diminishing as rapidly as they should. In all countries it has been found that the numbers on relief lag considerably; that they do not show the improvement which it might be expected they would show due to a betterment of conditions as discoverable in increased employment or lessening of unemployment. I think in this country we may take considerable satisfaction out of the fact that the numbers of unemployed are considerably less than they have been and that the numbers employed are greater than for many years. This being so and with recovery taking the strides it is at the present time, it is reasonable to expect that the numbers on relief will rapidly diminish.

The numbers on relief have become what they are largely because of the length of time for which many people held out before taking relief. May I say to my right hon. friend that if at the beginning of his administration he had appointed a commission to take charge of the whole question of relief instead of seeking to have the matter taken care of by a single minister of the crown, with the assistance of his colleagues, I believe that the whole unemployment problem would be vastly different from what it is at the present time. May I say to him further that if under the guise of assistance to the unemployed he had not spent money recklessly right and left, as he did, for all kinds of purposes we would not to-day have the problem of vast expenditures to deal with which we have. I might add that time is required to offset the ill-effects of wrong policies, and to give right policies a chance to disclose results.

The truth of the matter is that for some years past a great many people have been kept employed not in private enterprise, or in ways which relate themselves to the general business and industry of the country but by public money

spent by the government for all kinds of purposes whether profitable or not. When wasteful expenditures are no longer being made, naturally the number of those on relief who have profited by them come to be somewhat larger than they otherwise would be. We have, however, every reason to hope that under the direction of the national employment commission, which has been giving its expert study and guidance to this question, combined with the measures which have been introduced already and which will be introduced later on by the Minister of Labour (Mr. Rogers), this most serious problem with which the country has been faced for so many years will rapidly disappear.

Mr. J. H. BLACKMORE (Lethbridge): Mr. Speaker, first of all I should like to express to the right hon. leader of the opposition (Mr. Bennett) our great satisfaction at seeing him back in the house. I should like to express also our appreciation of the fine addresses of the mover (Mr. McLarty) and the seconder (Mr. Veniot) of the address in reply to the speech from the throne. I should like to commend the composers of the speech from the throne. There are in it two things that appeal particularly to us. First, there is the provision for the payment of pensions to the blind. That is highly commendable and very much to the credit of the administration. Second, one passage in the speech reads:

> A measure will also be submitted with respect to the discharge, in any coin or currency which is legal tender, of debt payments at present required to be made in gold or gold coin.

The leader of the opposition has pointed out a possible danger in that passage, but it seems to me that it is a step in the right direction. I feel encouraged because of it.

Without the desire to criticize in any way, I should like to take a little time in discussing the question of unemployment and relief. This problem has been brought out clearly by all the speakers who have preceded me. It is a grave problem, but nobody seems to know just exactly what is the cause and nobody seems to be able to give a cure. It seems to me that instead of bandying recriminations back and forth across the floor of the house, we should all get together as a group of earnest and interested members of parliament to see if by pooling our wisdom knowledge and ideas we cannot arrive at a solution of this problem.

I repeat that I am not criticizing the government as I think they have done exceedingly well, all things being considered. Yet I believe it would prove interesting to hon. members if some excerpts from a report which was made recently were brought to their attention. I have before me a pamphlet entitled The Relief Outlook in Canada, Winter 1936-37, issued by the Canadian Welfare Council on December 28, 1936. This report contains certain passages which certainly are not very comforting reading. For example, at the bottom of page four, I find these words:

> As it is, quite apart from drought relief, the loads look as though they would stand (as at the first of December) at a figure representing six per cent to eight per cent increase over comparable 1935 totals.

I assume that this is an official statement of the relief situation in Canada. Again, on page five, we find these words:

> With the business index in Canada showing an improvement of more than fifty per cent from 1933; and with employment up about thirty per cent, there can be only grave realization that we are not breaking the line of national relief totals when these show only about eighteen per cent to twenty per cent reduction over those at the corresponding period in the depth of the depression.

I believe that there is a cause for this relief situation which has not been touched upon so far. There are plenty of people in this house, and plenty of people in this country, who are inclined to scoff at those who undertake to point out that there has been passing over the world during the last decade or so, probably during the last twenty-five years, a great change which has developed largely because of the coming in of the machine and a consequent actual decrease in the amount of wages and salaries and dividends which are going into the hands of the consumers. The consequence is that there actually is being produced among the people, though not among the rich men, of course, or among the bankers, an actual shortage of purchasing power, with the result that it is becoming increasingly difficult to put people to work at profitable labour. This condition is destined apparently to increase in its severity and to bring about more and more unsatisfactory conditions requiring more and more artificial treatment until some fundamental change is made in the way of dealing with social problems in the modern world. Knowing full well that there are plenty of people prepared to criticize, yet I humbly and earnestly submit for the consideration of this house that here is a problem which must be met and solved and which will not be solved by anything which has thus far been presented as a solution of the difficulty.

To go on with some other facts concerning the relief situation: I believe it would be interesting to the members of the house to have two or three more excerpts from this fine summary showing the condition in the various provinces. I notice a tendency to think that the western provinces are the only ones which are suffering. For reasons which I shall take occasion to bring out as we go on, there is more suffering in the three prairie provinces; the reasons are good and sufficient ones though they are not commonly known.

I turn now to page 2 and read an excerpt dealing with the situation in British Columbia, the first of the provinces referred to:

But the spring and summer reductions in relief totals, though continuing into the autumn, have not shown any drop for the whole province fully commensurate with its undoubted recovery, and October and early November returns indicate an upward movement again, which will probably mean that the winter load will not be very far below 1934-35.

I come to a passage dealing with Quebec, on the same page:

The whole province of Quebec seems to have experienced a fairly consistent increase in relief recipients, possibly because of special relief works projects this summer which stimulated a demand for employment and upon the termination of which there was a fairly automatic movement to seek relief. The city of Montreal, where a heavy relief works program is in process, is nevertheless experiencing a recent upward movement on to relief, especially marked in the case of single men, many of whom are transients. The city of Quebec is still showing the effects of the much lighter cargoes going through its ports, while there seems to have been also some slight increase in industrial workers seeking relief.

There is a tendency among a good many people to think that people who are not at work are people who do not want work. The whole tenor of that passage I have read regarding Quebec would seem to give an entirely different impression.

I turn now to Nova Scotia, which is dealt with on page 3, and read these words:

Relief is still comparable with conditions in part of 1934, however, for the province as a whole.

Now, New Brunswick:

Direct relief need has not terminated with the cessation of direct relief, but remains comparable in these larger communities at least to the 1934 load.

I view with some concern those words which I read first:

Direct relief need has not terminated with the cessation of direct relief.

That need, I fear, we are going to find out, with great resultant suffering in this dominion if we are not very careful in the matter of handling relief.

[Mr. Blackmore.]

We go on down the page and come to this passage:

The movement of our wheat to foreign markets has benefited many communities through the stimulation of transportation and shipping, but it is well not to build too much on this, since short crops at home and abroad rather than recapture of the foreign market explain the situation.

I do not desire to minimize in any way the credit which the right hon. the Prime Minister (Mr. Mackenzie King) has taken for this sale of wheat. I come from a wheat producing country. I will not say just what we out there think about some of these measures regarding wheat; at least I will not say it at the present time. While the administration is entitled to all the credit which is due them, and I freely grant that credit, I warn all the members of this house that we must not close our eyes and fancy that things are getting better faster than they are, and perhaps overlook serious defects in the situation which we ought rather to meet bravely and courageously and intelligently.

I turn to page 4 and read these words:

Much of this activity—

Referring to mining.

—is soundly founded but it is well to remember that fundamentally the situation is not changed to the degree that present activity would suggest. Heavy rearmament is affecting the demand, and different currency policies are making profitable the development of low grade ore beds. It may not be well to place too great reliance on programs in which some elements may not be permanent.

We are seeking a way out of the situation in which we find ourselves. We must make allowances for such temporary conditions as the rearmament program throughout the world, and for such things as crop failures, as was so well pointed out this afternoon by the right hon. leader of the opposition. While such things have temporarily relieved the situation, it is, I believe, our duty to Canada as members of this parliament not to go too far in comforting ourselves on this account. We must be looking to what will happen when these temporary conditions, which are to-day's palliatives, shall have passed from us, and we should be laying plans for coping with the situation which at that time will arise.

I go down a little further on page 4 and read this regarding Winnipeg:

Winnipeg, because of the transfer of heads of families from direct relief to relief works, has not moved sharply upward as might otherwise have been anticipated.

This casts a certain amount of cold water, does it not, upon the enthusiasm we might develop from looking at Winnipeg.

Turning to page 5, I find some other facts thoroughly worthy of the attention of the house:

Many firms all across Canada have had employees listed as employed on short time; others have had large numbers on supplementary lists. These, most of them,—how one does not know—have kept off relief lists. The employment statistics show their return to work but this does not affect relief totals.

There are a number of other things like that which we should be watching very carefully. Many people of my acquaintance, rather than go on relief, are suffering to a degree which is absolutely shameful for people to suffer in this dominion. They are depriving themselves in ways which are not in the best interests of this country. If there is any way in which such conditions can be avoided, it is unquestionably our duty to find it.

Again, I note this statement:

Many plants have put in labour saving devices as part of a depression overhaul; for instance, the introduction of the dial phone and of electric refrigeration have moved apace in recent years. These throw more people out of employment as others move in from relief lists.

I find another passage which I believe is of great importance:

The normal balance between new workers and the retirement of old workers is all "out of kilter" because with many of the latter who have been on part time, laid off, or lost their jobs, savings have gone and they must work years longer for maintenance alone.

In my opinion a very wise and discerning remark was made a moment ago when it was pointed out that a great many people who have struggled and deprived themselves, living on the slender resources which they had saved up during years of toil, thus being enabled to keep off relief, now find that those resources are exhausted and they must consequently go on relief. Unfortunately they are going on relief exactly at the time when people are becoming impatient of relief and are more and more offensive to those seeking it, who really after all have been honourable in refraining from taking relief for some considerable time and therefore deserve much more considerate attention than they are receiving.

There are a good many other points in this review which I think every hon. member should read and seriously consider. I shall not read them all, because I do not like to burden the house, but there is a passage at the bottom of page 7 which I should like to draw to the attention of the house before closing this part of my remarks. It reads:

Also, as costs mount and the relief loads do not diminish in an obviously improved economic situation, there is a growing impatience everywhere, and an enlarging lack of sympathy with the unemployed because of the general impression that many will not seek or take work. This is true of some proportion of those whom careless, mass handling of the problem has encouraged in dependency. It is not true of the greater number of formerly self-supporting workers who ask only the opportunity of employment to demonstrate their willingness to take it.

Perhaps that is sufficient on this aspect of the situation. It surely gives us a gloomy picture and one that there is not much reason to gloat over. I regret this condition as deeply as any other hon. member, and all I wish to do is to unite with all others in an earnest endeavour to find out what the trouble is and what the solution should be. This report of decrease in relief allowances which has got into the press—whether it should have got there I do not know—has caused a great deal of anxiety to us in the west. Our relief costs are actually increasing in Alberta, and, I believe, in Saskatchewan and Manitoba. There are people who are inclined to say that the western provinces are always causing trouble; that they are a burden to the rest of the country, and all that sort of thing. I should like to say a word or two in defence of the western provinces, and if some of the people from the eastern provinces who have been having a great deal to say about the burden which the west entails upon them will only listen to some of these things, I believe they will revise their opinions and be more careful about what they have to say in the future. In the first place, there are many people who do not realize that the western provinces have been very much discriminated against for a long time. In the depression the west suffered perhaps more than any other part of the dominion. Premier Bracken is reported as having said that the western provinces lost $450,000,000 of purchasing power a year during the depression years. This was largely because they were primary producers and it was impossible for the dominion, by any kind of management, to protect their prices. The result was that while the price of shoes, for example, and the prices of foodstuffs generally maintained a fairly high level, the prices of wheat, cattle and pork, wool and various other products which the farmers had to sell had fallen. That resulted in a very serious loss in the western provinces, and those provinces have been struggling under this handicap all these years.

There is something else which is of importance. I read the other day statements of which really, I think, the writer should be ashamed. He spoke of one of the western provinces coming down here for a certain

amount of money, and he said: "That money they are asking for is Canadian money. We Canadian taxpayers have paid that money and that province has no right to come and get it." It would be good for the intellectual development of that writer to take particular notice of the figures which I am about to give to the house. These figures I have taken from some findings which the Minister of Labour (Mr. Rogers) made when he was engaged in an investigation in eastern Canada. They are only estimates, but I believe that they are sufficiently accurate for our enlightenment. He finds that, in the incidence of the tariff in Canada, the increase in prices which the people of Manitoba were paying in the year ended March 31, 1931—increases as a result of the tariff—amounted to $29,185,740. The benefit to the producers of Manitoba as a result of those tariffs was only $19,910,971. The loss, then, to the people of Manitoba; in other words, the money which the people of Manitoba contributed to the dominion over and above the benefit they received was $9,274,769. Saskatchewan is faced with a still more serious problem. Her price increase owing to the tariff was $29,228,285 and the only benefit she derived was $3,275,850. The result is that Saskatchewan, in the year ended March 31, 1931, contributed to the dominion treasury, over and above what she obtained as a benefit from the tariff, $25,952,335. How many years that had been going on, and how many years since then a similar drain has existed, is a question which all hon. members must consider seriously. Alberta's price increase was $27,909,396. The benefit to her producers was $8,211,148. The result is that Alberta contributed to the funds of the dominion, over and above the benefit she gained, $19,698,248 in that year, and she has continued to contribute similar amounts since that time. When it can be shown that Alberta has received in return something comparable to that amount, then people will be in a position to talk against Alberta's request for the assistance she needs in a dire way at the present time.

Now let us come to the people of Quebec and Ontario. And before I quote the figures with respect to these two provinces I wish to assure hon. members that I have no desire whatsoever to say anything that would create ill-feeling between the east and the west. We admire and love the east; we are interested in the east and have no wish to cause disunion. But when injustice is borne by any section of the country and continues throughout a long period of years, and when the people who are profiting from that injustice are apparently unaware of its existence and in fact talk in such a way as to be altogether offensive, then it is high time that those who are being offensive should be informed and should begin to hold their peace. The price increase, so far as Quebec is concerned, was $101,171,562. The benefit to Quebec producers was $132,867,447. In other words, where the three other provinces lost huge sums of money, the people of Quebec, as a result of the tariff, gained the sum of $31,685,885. Now Quebec really ought, under those circumstances, to be able to take care of its relief problems a little better.

Ontario during the same period had a price increase of $168,732,723, but she gained as profit from the tariff, $220,722,484. In other words the gain which Ontario had as a result of the tariff was $51,989,761. Now, when people in two provinces have been benefited to that extent, it thoroughly behooves them to be very careful what they say regarding their suffering neighbours out in the west who have not been by any means so fortunate. So much for the tariff increase.

Now there is another injustice of which I believe a good many people are not aware. I am going to speak for a minute or two directly for my own province, not mentioning the others. There is in the Dominion of Canada a freight rate structure that makes Alberta pay both going and coming. She is being discriminated against as is no other province in this dominion. That ought to be taken into consideration. There are plenty of people who sneer about the Progressive government which the people of Alberta have put into power. I wager that if the people of some of these eastern provinces were suffering as much as Alberta is they would not be as calm as Alberta has been. The thing we want to do is to find what is the cause of all this, and to remove that cause as far as is humanly possible. Surely there is something that can be done. I read this from an editorial in a western paper, and not a Social Credit paper:

> This province (Alberta) as a matter of fact is at the apex of the general freight rate structure of Canada.

I have not time to go into details, but they bear tremendously on the relief problem in those provinces. Someone is suffering for all that. And it does not matter how desirous they are of working or how careful they are in their living or how economical they are or how anxious to keep off relief, they are in the grip of circumstances which are an absolute disgrace to this dominion.

There are some other things which I wish to consider. I will not now spend any more time on the discrimination; I may at another

time say something further on that for the enlightenment of the house. I fancy the reason these things are tolerated is only that we do not know about them. I did not know about these things until I looked them up, and I cannot blame people who have never had them brought to their attention. It is our business to bring them to the attention of hon. members, and we do so in a spirit of good fellowship and straightforward honesty, asking that redress be given to us so that we may live. That is all. You see why I said a moment ago that the matter is exceedingly serious. It is positively appalling to the three prairie provinces to have anything said regarding a decrease in their relief appropriation. We are going to recover much more slowly than the other provinces, largely because of the terrible drain that is upon us. But to decrease the appropriation for relief for Alberta, Manitoba and Saskatchewan in proportion to the decrease for Ontario and Quebec, judging from the figures I have brought forward, is to visit upon the three prairie provinces the most shameful discrimination. There should be a greater relief apportionment for those three provinces because of the additional burden that they have to carry. I submit that in all earnestness, and with a desire to cooperate, not in any spirit of criticism or complaining or fault-finding, because that is not the attitude which we in Alberta or we western people take. We come of sires who were pioneers, and pioneers do not come around seeking hand-outs. All we want is something like a decent chance to carry on, and we will carry on.

Now the question may be raised, and I fancy I hear the Minister of Finance (Mr. Dunning) saying to himself: Yes, but where is the money coming from? Now, I have nothing but the deepest sympathy for any administration which is in power in this country. They face a trying task, one which requires the best judgment that the whole people of Canada can bring to bear upon the situation. There are more reasons than one why that is the case. It may be very difficult under the present structure to see how the money is to be found. I am going to make a suggestion which I know will be received with scorn in many places, but I am going to keep on making this suggestion over and over again, and I say to hon. members: If I can quote to you great authorities on economics, men who should know what they are talking about, and can show that these men favour the ideas which I bring before this house, then I submit that you would be unwise if you did not give close attention to these ideas.

I am going to suggest that the Dominion of Canada has the authority, according to the British North America Act, to create new money. There are many people who will at once say: Oh, that will cause inflation. Now it may be that it will not cause inflation. It is certain that the money can be got in that way, without either taxation or borrowing, and if it is possible so to get money and so to help us to solve our problems, then it is the bounden duty of every hon. member to give that proposal the most careful consideration. In closing my remarks I should like to read to the house a statement from a book by Professor Irving Fisher, professor of economics at Yale university. This book was published in 1935. Its title is "100% Money." Now, I would say that the considered opinions of a man like that are worthy of the attention of any man in this house. This man contends that state money is sound money. On page 175 of his book I read these words:

> A 100 per cent system using paper money or credit of the currency commission would be just as effective as a 100 per cent system using gold, as well as less troublesome and clumsy; for, as stated, convertibility into bearer money is the sort of convertibility which is wanted in our modern world—not convertibility into gold ornaments.

It is not at all difficult to see the stand that man has taken, and any man who wishes to consider this matter with great care and earnestness and honesty will find it greatly to his advantage to read "100% Money" carefully. It shows that I am not altogether crazy when I submit that state money is a feasible suggestion, which ought to be considered.

At page 188 I find this:

> The currency commission should be independent like the supreme court so that the purchasing power of our dollar may be kept stable despite banking operations.

There are many people who say: Oh, we will not put the money into the hands of politicians. Fisher shows the way around that objection. He says: Just as you have the administration of justice in this land in the hands of men who are independent of politics, so you can put your money affairs into the hands of a group of men who are independent of politics and are held responsible for the efficiency and honesty with which they administer the monetary concerns of the nation. I suggest, then, as a possible way out of the difficulty we have in the

matter of getting money, that we consider earnestly the question of issuing state money and defraying some of our expenses with that.

The matter must be handled with wisdom. For those people who say that such money will cause inflation let me use an illustration. When you are in a dry area the first and all important thing is to get water. Having plenty of water someone who does not know how to use it will pour too much water on the land, flood the land and kill the crops or wash them out. The skilled irrigator does not do that. He takes the water and uses it as it should be used, in a scientific manner. The reason we have such fear of inflation as soon as the government begins to deal with money is that we are afraid the government will not be wise in its use of this money when it gets it. Why should that be? If we can learn how to handle everything else scientifically, why can we not learn how to handle our money scientifically? There is no reason at all why inflation should result any more than water flowing down an irrigation ditch should cause a flood.

Now, Mr. Speaker, I do not propose to take up any more of the time of the house to-night. I have outlined in a measure the seriousness of the relief situation, and I very much fear that we are not going to find a solution of this problem until we learn some way or another of financing consumption, of getting money and distributing it among those who are unable to get jobs. I hope we may be able to put all men at work; I rather fancy that if we manage things just right we may be able to do so, but certainly we are not likely to bring about that result by the means we are using at the present time. We may increase our trade as much as we like, but if many men cannot get jobs we are not helping them very much.

Having considered the seriousness of the relief question and having offered what we are ready to present as a solution, I commend this proposal to the serious consideration of this house.

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, I should like to join with the others who have spoken in complimenting the mover (Mr. McLarty) and the seconder (Mr. Veniot) of the address. I regret, however, that the seconder, in his maiden speech, took occasion to criticise—unfairly, I think—those unfortunate people who are unemployed and on relief. If the conditions which he alleges exist among them actually do exist, then let us face the fact squarely that after six or seven years of unemployment a man who has reached the age of forty-five or fifty has become unfitted to work again. If the abuses to which the hon. member for Gloucester (Mr. Veniot) referred this afternoon do exist, then I am going to submit on behalf of those people that we must accept some responsibility for that condition. However, undoubtedly we shall have other opportunities to discuss the problem of unemployment, and we can go into this question at that time.

For a moment I should like to turn to the speech from the throne itself. I must say that I do not see in the legislative programme foreshadowed by the speech very much which offers hope to the Canadian people. I am glad, however, that the government is going to bring down for the consideration of this house suggestions in relation to the capital structure of the Canadian National Railways. Whatever the outcome, I think that discussion will serve a very good purpose. I am also glad to note that pensions for the blind at a lower age than seventy years are to be introduced. Of course I do not know at what age those pensions will commence, but for my part I should like to see them graduated at least according to physical disability, right from the earliest age until death. I believe that the blind child should be given more assistance by the state than ordinarily can be given through our regular educational channels; indeed I think some consideration should be given to both the sustenance and the education of the blind child.

Much satisfaction has been expressed already, and I have no doubt more satisfaction will be expressed in the course of the next day or so, by speakers on the government side of the house in regard to the improvement in the economic situation in the Dominion of Canada. There are those, of course, who attribute this improvement to a change of government, when I believe deeper thought would show them that such is hardly the case. No doubt the trade agreement with the United States of America and commerical agreements with other nations have been steps in the right direction, since they make for greater freedom of exchange as between nations. Unfortunately, however, increases in Canada's commercial returns are symptomatic rather of international disease than of international health.

There are two main factors which have contributed to the so-called improved condition. First, there was the impetus given to war preparedness by increasing unfriendliness between the nations of the world and the terrible civil war in Spain. In the second place, as far as we in Canada are concerned,

there has been the influence of the short crops of cereals over wide areas of the earth, creating a demand for wheat, which became a commodity asset of tremendous importance in Canada's economic structure. Almost overnight, one might say, our accumulated carryover, of which we heard so much during the last session of parliament, became an asset of vital importance to the world instead of the depressing factor which a more or less crazy economic system made it in the years when it was being accumulated.

The tragedy of the situation at the present time is this, that neither the farmers who produced the wheat nor the Canadian people who carried it through the depths of the agricultural depression have received the maximum benefit to which they were properly entitled. For this, obscured though it be at the moment by rising prices, the selling policy of the present government is in no small measure responsible. Defence of that policy is being made throughout the country and is based upon the assertion that neither the government nor the wheat board could have foreseen the shortage created by the north American drought, and that it was essential to get rid of the accumulated surplus.

When parliament prorogued late in June it was becoming evident that drought was in the making. I motored back to western Canada, and when I passed through North Dakota I saw the crop burning almost hour by hour. When I got back into my own province and my own constituency, in those first days of July, I saw a crop with splendid promise withering visibly before my eyes; yet in that month of July, when it was perfectly evident that, owing to the condition which was developing throughout the whole of the north American wheat belt, wheat must go higher and become an asset of tremendous value, the Canadian Wheat Board sold a record amount of wheat. The amount sold during the month of July, according to the bureau of statistics, reached the enormous figure of 62,302,891 bushels. These sales, might I add, cannot be said to have been made to ultimate consumers. I believe—and my guess in this connection is just as good as that of anybody else—that a great deal of the wheat passed into the hands of various speculative interests, and while we are told that this removed the depressing carryover, it did not in reality remove that carryover at all. All it did was to change the ownership of the wheat that was carried over; that was all. Therefore, in view of the situation in North America and the world grain position, the setting of the minimum price at 87½ cents a bushel on August 27, with the proviso that the board's operations in relation to the 1936 crop would not begin unless and until the price of wheat fell to 90 cents for No. 1 northern at Fort William, was a distinct disappointment to all our western producers, and I say that knowing that many of the farmers who supported the government which to-day occupies the seats of power in this dominion were just as much disappointed, if not more so, than those who voted against the government.

Subsequent events have shown that the organized farmers of Saskatchewan, in asking for a price of $1.15 a bushel, were not unreasonable. The government and the wheat board together, in my opinion, again deprived the western growers and the people of Canada from reaping the benefit both of the carryover and the world situation. This meant serious losses not only to the farmers but to all those who are dependent on the farmers—the country storekeeper, the doctor, the implement agent, the school teacher, all those whose livelihood depends upon the ability of the farmer to meet his obligations.

Let me remind this house—and I have said this before—that one of the difficulties in western Canada, and indeed perhaps in no small measure the cause of the fundamental economic situation there, is that the farmer, year in and year out, has never received the cost of production of this principal product, wheat. Our university in Saskatchewan states that the average cost over a period of years of producing a bushel of wheat on all types of land in the province is between $1.03 and $1.04 a bushel. If we bear that in mind, it can be readily understood why there was such universal disappointment when the price was set at 87½ cents. This, too, was done on August 27. Now this year we had an unusually early harvest, and a great deal of the crop had already been delivered to the elevators and was in the bins and sold by August 27. Yet, in spite of that, the wheat pools and the western growers endeavoured unsuccessfully to get the government to reconsider its decision.

When at that time the pools asked the government to set the minimum price at one dollar a bushel I do not think they were at all excessive in their requests. By the government's decision providing that delivery would not be taken by the board unless the price of wheat fell to 90 cents, the wheat board was practically eliminated so far as the 1936 crop went, and the western grower was placed very much at the mercy of those great speculative interests which we believe operate in all the

grain markets of the world. I submit that existing conditions, in a world of realities, a world of quotas and tariffs and subsidies, demand that we should give our growers protection for their principal commodity, and this is the opinion not only of people who are opposed to the government but of its supporters also.

On April 1 of last year, for example, the Saskatchewan legislature, which is overwhelmingly controlled by friends of hon. gentlemen opposite, adopted a resolution unanimously requesting the continuance of the wheat board and the setting of a minimum price based upon the cost of production. True, a great western paper which is also closely allied with hon. gentlemen opposite stated on August 31 last that no one so far as could be learned was prepared to explain successfully why the cost of production should be the basis of the government fixed price. But surely the serious plight of the western farmer is an ample and sensible explanation of that request. For years he has been disposing of his product at less than the cost of production. If his cost of production is one dollar a bushel and he sells his wheat for 60 cents a bushel, then he has a deficit of 40 cents a bushel, and that deficit must be made up somehow, somewhere, some time. If he has other resources, the deficit is made up from those resources. If he has no other resources, then the deficit is made up by a lower standard of living, by working excessively long hours or from the labour of his wife and family, or from his hired help; finally it is made up out of the equity that he has established in his land, his implements and other resources, and so eventually he passes out. In other words, the deficit represents the exploitation of the producing group by the balance of society. Of course, this sort of policy is a very short-sighted one because the farmer is a part of a great economic machine upon which the manufacturer, the storekeeper, the railroader, the implement company, the banks, the artisans and the labourers all finally depend. Unless all parts of this machine operate smoothly there is disequilibrium in society, a disequilibrium that must lead eventually to social upheaval and to revolution if it is not corrected. Surely that is an entirely sensible reason why at least the cost of production should be the basis of setting a minimum price not only for wheat but for other primary commodities.

If other reasons were needed, all one has to do is to turn to the price spreads investigation or to the recent probe into the textile industry, where the prices have been set, not directly of course, but indirectly, by tariff protection, for which the farmer and the rest of society must pay. Remove this protection; take over and control these monopolies if you will, and then, perhaps, the costs of production on our farms will drop and standards of living will rise. As long as you compel the farmer to buy in a protected or monopolistic market, you must not be surprised if he in return makes modest demands for protected prices for his products.

To what extent western producers have been exploited by protective tariffs under successive governments, Liberal, Conservative and Union, was shown clearly by the Minister of Labour (Mr. Rogers) in the figures which have been referred to already and which he presented several years ago before the maritimes commission. May I just repeat some of these figures? He gave the effect of protection for the fiscal year ending March 31, 1931, as an exaction from the three prairie provinces of nearly $56,000,000. The figure for Manitoba was $9,274,000; for Saskatchewan, $25,952,000, and for Alberta, $19,658,000. These were the exactions due to protective tariffs. The cost of the stabilization activities of the late wheat board and the annual cost of relief in the drought areas are a mere bagatelle in comparison.

I would point out to my hon. friends from eastern industrial centres, both Liberal and Conservative, that an elementary sense of justice demands the granting to our farmers of an adequate price for their products. This is surely a sensible reason why the costs of production should be the basis of fixed prices. Of course, I am not forgetful of the fact that all that has just been said could apply with equal force to other primary commodities. It is sometimes said that we from western Canada are constantly bringing before this house the grievances of the prairie provinces. We are quite aware that the conditions which prevail on the prairies can be duplicated in other parts of Canada. During the recess some of us were able to visit other parts of Canada and we know there is similar distress and there are similar problems among the fruit growers of British Columbia, the farmers and market gardeners of Ontario, the dairymen of Quebec, the fisher folk of the Gaspé peninsula and the maritime coasts, and the workers in industry everywhere. All classes of the community suffer from the same economic conditions which exist to-day in Canada.

We have tremendous distress in the west among our children and our teachers. Perhaps I may be pardoned if I speak for a

moment on behalf of these teachers. For twenty-four years I taught in western Canada. I was president of the Canadian Teachers' Federation and I was its secretary for several years. I feel that it is not only a privilege to bring the problems of these people before the house, but more or less an obligation. I am emboldened to do this because of the fact that the teachers of Saskatchewan not very long ago presented a memorial to the government. This memorandum stated quite correctly that the education of its future citizens should be a matter of profound concern to the state. It argued also, again I think correctly, that an enlightened citizenship is the best safeguard of democracy. This memorandum shows how in wide areas of Saskatchewan grasshoppers, drought, soil erosion, frost and depressed conditions generally have made it impossible for local school districts to maintain their educational services as they ought to be maintained.

But for the self-sacrifice of literally hundreds of teachers, schools would have been closed long ago. Their salaries have been reduced again and again. The average reduction in the salaries of rural school teachers in Saskatchewan amounts to sixty per cent. These teachers are receiving only forty per cent of their former schedule. In that province 4,853 teachers signed contracts last year for less than $500 per year. Of that number, 2,419 signed contracts for $400 or less per year. Only a portion of these pitifully small salaries were paid. At the end of 1935, the last record available, the arrears of salaries to the rural teachers of Saskatchewan amounted to over $1,000,000. There are cases of teachers receiving as little as $25 for a term's work. The average net wage in the drought area of Saskatchewan was $10 per month.

Canadian citizens were shocked at the revelations in connection with wages paid by, and working conditions in, certain industries as brought out by the mass buying probe. How much more would Canadian citizens be shocked to realize that persons engaged in a great public service in Saskatchewan are suffering from conditions even worse than those found to exist in certain industries? We heard condemnation this afternoon of those who have allowed these conditions to exist in industry, and yet we have here a great public service where two-thirds of those engaged in it are living below a standard which would not be tolerated even in many of the depressed areas of the world. I have authenticated data showing that teachers have been unable to purchase clothes and that some have been living in cabooses or school basements. The case of a married man with a family was checked up and given to me; I have the name of this man. He has been receiving $20 per month; his groceries, rent and milk cost him $19.50 per month. Not many groceries could be purchased out of that amount. He has fifty cents per month with which to buy clothing and fuel and to pay for health services and so on. There are cases of teachers who are receiving less than $100 for a whole year. Is it any wonder that teachers have been forced to apply for relief while still actively engaged in their work?

This parliament cannot escape all responsibility. I am informed that the interest on the school lands fund, which forms a portion of the revenue of that province, was recently reduced from five per cent to four per cent, thereby reducing the amount available for education. The whole system of organizing and financing education in small semi-autonomous and self-supporting units is inadequate and out of date. The time has come to realize that in the interests of democracy and of progress education must be recognized more largely as a matter of fundamental national concern. But apart entirely from these considerations I believe that the Canadian people would wish this parliament to take steps to ensure that the children in the drought-stricken area of the west shall receive an adequate education under such conditions as will guarantee health and opportunity. Let us remember that present conditions are not going to pass away overnight. One good crop at reasonably good prices will not meet the needs of education and of the agricultural industry to which I have referred. That is why I have been so insistent ever since I have been here that intelligent plans for the rehabilitation of agriculture should form a major task of this house.

Apart from drought problems, to which, I am glad to see, the government is giving some attention, the question of future production and future marketing loom large in the farmer's mind. I know there is a disposition to view with satisfaction the recent rise in wheat prices and there let the matter rest. But in that way future disaster lies. Apart from the fact that under the very best conditions, over a long period, the farmers, the local business men and the public bodies dependent upon both of them cannot liquidate their present debts, there is the question of permanent and remunerative markets to consider. What are the prospects, not in the immediate future, but in the course of the next five or ten years? Has this government any long range policy to place before this

parliament? That is a question which should be answered in the affirmative and the policy placed clearly before the house and the country. It is all very well to say that European peoples will compel their governments to lower their tariffs to a point where Canadian, Australian and Argentine farmers will be permitted to market their wheat at adequate prices. There is no real evidence that European governments are going to take steps which would further impoverish their peasant populations. Fear of agrarian uprising to supplement industrial discontent leading to revolution precludes such a possibility. True, during the present crop year certain European nations have imported more than for several years, but only to the extent to which threats of war and short crops impel them to do so. Nor must we forget that in their impoverished condition, aggravated as it has been by the need of raw material, they must restrict their foreign purchases to the extent of their exports.

Like other industrialized and over-capitalized nations, we want to export but to restrict our imports in the interest of a highly protected industrialism. Temporary relief we are enjoying, but it is temporary, and the higher prices in which we are rejoicing are liable to lead us into a new wheat crisis rather than out of a wheat crisis. Higher prices will tempt unorganized individual farmers to sow more wheat because they fail to realize that in the exporting countries we have a potential grain producing plant far in excess of the world's present effective consumptive possibilities. The terrible drought of 1936, following as it did several years of other droughts of more or less intensity, obscures this defect in our agricultural position. Canada as a great producer of exportable grain must face the implications of increased productivity of European countries. Who has not noted that in Great Britain they are already considering ways and means of increasing their production of wheat during the coming year? Add to that increased European productivity a declining European birthrate and what is the outlook?

We are told sometimes, of course, that a rising standard of living will solve these problems. But we find this, that up to a certain level large quantities of wheat are consumed; when the standard of living rises above that level the consumption of wheat grows less. More meat is used; more vegetables, more salads, more fruits, more of foods other than basic cereals are used. A few years ago—very recently too—we were told that Japan was a great potential market for Canadian grain. Japan is now developing the plains of Manchukuo; and moreover, the coming of the soya bean has provided a new food for the eastern peoples. Even in our own country, this great wheat producing land, you can pick up advertisements of bread made with flour derived from the soya bean. Nor must we rely upon the progress of civilization in Asia. Over northern Asia stretches a great nation with vast plains and a highly mechanized agricultural industry; and if new demands come from Asia, Asia in a few years will be able to supply those demands.

Hence the position of Canadian agriculture is a question not wholly of markets, of what we would like, of what we would think, of wider and freer markets—much as I would like to see them in the immediate future—but of intelligent planning to meet the condition which is coming, I believe, after this brief period of higher prices, because the drought condition and consequent grain scarcity will not last forever; we may be quite sure of that.

I know that in saying some of these things I have been running counter to some opinions held by hon. gentlemen opposite. But while I wish to see intelligent, immediate, and quick progress, I do not want to see this country drift towards economic chaos and social upheaval. I want quick progress, but I believe in evolution rather than revolution, and another agricultural crisis, accompanied by the inevitable industrial crisis, would produce a chaotic condition from which we might emerge as some European countries emerged from their crises, with democratic institutions gone, and standards of life greatly lowered. Another crisis such as we have witnessed since 1929 would, I submit, shake our institutions to their foundations and perchance destroy our democracy, at least temporarily. It seems to me that now, when conditions are said to be on the upgrade, we should make preparations to meet the inevitable reaction. That is the opportunity lying before this present parliament of Canada. I wonder if we are going to seize it while there is yet time.

I close with the thought with which I began, that although it may be contended that there has lately been almost phenomenal improvement in certain Canadian industries—and if war comes, those industries may prosper still more—yet, after such a war, we shall suffer more intensely because of the increased production encouraged by war activity. On the other hand war may not come—and I hope that the nations of the world will get together and agree to keep peace and to

disarm—so that the putting into effect of a disarmament program would close many of the markets that we now have. For in relying on potential war industries and prices we are leaning on a broken reed; and as I see it this parliament should lay plans so that we may discover and remove the cause of unemployment, and deal intelligently with agriculture, in order that we may be in a position not only to rehabilitate our farmers in the drought and distressed areas, but to relieve them of their tremendous obligations and burdens of debt, and assist them generally in the days that are to come.

Mr. ROBERT FAIR (Battle River): Complying with the suggestion made this afternoon to cut short this session and get through in time for coronation, I do not intend to take up very much of the time of the house on this occasion. I do, however, want to make a few remarks and at a later date I shall return to the subjects which I am going to touch on at this time.

Since the opening of parliament I have read over the speech from the throne three or four or five times and have been unable so far to get very much out of it. I was glad to learn that trade agreements are being made, but I would suggest that before we export very much of our products the wants of the Canadian people should first be taken care of. That is one of the jobs that we are here to look after.

Following up some of the resolutions brought before parliament at the session a year ago, we find that the government intends to bring down legislation to pay pensions to the blind at an age under seventy years. I am very glad to see that this measure is to be brought in because I believe it is long overdue. However, we believe that it is better late than never and we hope that this legislation will be brought down in the very near future. I also read that there is a marked increase in trade and commerce, accompanied by a noticeable improvement in the general economic situation. I do not know what particular basic industries this applies to, but I do not believe it applies to agriculture. Perhaps it refers to industries that have fattened at the expense of the agriculturists of the country. I notice also that there has been a pronounced increase in the volume of farm products exported, and that it is the intention of the government to continue the vigorous promotion of the sale of agricultural products at home and abroad. I am not at all surprised at this; I think it very clearly verifies the statement of the head of the wheat board that that board's job was to get rid of wheat. We must all agree that the board succeeded in getting rid of the grain, but we must also agree that this was done at a terrible cost to the taxpayers of Canada, and particularly those who produced that grain.

Believing that the first duty of a government is to see to the prosperity and happiness of its people, I am now bound to take advantage of this first possible opportunity to condemn the action of the government in getting rid of our wheat board. This legislation was brought down in 1935. Resolutions from several organizations throughout the country have been presented to the government, petitions have been signed by thousands of growers in the west, many boards of trade and several other organizations to keep that marketing board in operation. But we find that the intelligence of the people of Canada has been slammed by this action of the government in disposing of that board. I do not agree that the price of 87½ cents set by that board was sufficient, but that was better than nothing, because those who delivered grain to the wheat board were given certificates by which they collected any profit that was gained at a later date. Now, in spite of these resolutions and petitions to which I have referred, the government has seen fit to drain these profits away from the producers and to throw them into the laps of the gamblers on the Winnipeg grain exchange. I do not think this is good business, and if the matter had been handled by a board of efficient men working in the interests of the producers, who are certainly entitled to have something to say about the sale of their grain, and working also in the interests of Canada as a whole, I believe that instead of a deficit of something like $11,800,000 there would have been a large sum of money to distribute to the producers who delivered that wheat to the board. Instead of that we have perhaps thirty cents a bushel clear profit turned over to somebody who did not turn a hand in the production of that grain. In my opinion that is not good business, because I believe that the farmers and other people in the west have been sufficiently gypped in the past in connection with wheat. I am referring now to the settlement of the 1930 wheat pool payment. In that case we were gypped 4·2 cents a bushel on the average price of grain in 1930, and I believe that we were gypped as high as fifty per cent of the amount we received from these wheat pool payments, in the amount of interest we paid on debts which should have been paid with the money that was tied up in this wheat and held by both our governments. Five years

after we were entitled to our payment we got it, and, as I said before, at least fifty per cent of that amount was consumed in interest.

Figures have been put out by the dominion government showing that in 1932 the average cost of growing wheat was 95 cents a bushel. That 95 cents does not include approximately 19 cents for freight and handling charges, which would mean a gross payment of $1.14 at Fort William. That, I believe, is based upon an average of approximately sixteen bushels per acre. This year, instead of getting sixteen bushels per acre, there are thousands of farmers who did not get two bushels per acre, and in a good many cases we find that thousands of acres have been left without a binder being brought in. So when the government tells us that we are making profits on this year's grain and that our basic industry is improving, it is a statement that needs to be revised.

I listened last session to one member of the medical profession who sat to my right; this afternoon I listened to another who sat opposite. If his talk had not been so far from the truth I think I might have enjoyed it. I have to take very strong exception to the statement of the hon. member for Gloucester (Mr. Veniot) in regard to those on relief and unemployed. The hon. member said this afternoon that if our governing bodies expect to pull out of this morass of unemployment, our only hope lies in getting people back to work-consciousness, compelling them to give some personal return for the assistance they receive, by cutting out this panhandling, this racketeering, this subsidizing of idleness, this sponging on the public treasury on which so many persons have existed dishonestly for the last five or six years. As a representative of the down and out people as well as a few of the other class I take very strong exception to those words "dishonestly for the last five or six years." If that had been directed somewhere else I might not have objected, but in connection with those poor down and out people on the relief roll I must stand up and have that statement withdrawn. If it is proven, then let us get busy and correct it. It is up to someone to remedy that condition. Ninety per cent of those on relief to whom I have talked would work and make a good job of it if only they were given something to do and some remuneration for that work.

We are told that the government is doing quite a lot by putting men on the farms. They are sending men out on the farms at $5 a month. I think it is an insult to the intelligence of Canadians to have in operation a system that will send anybody out at a wage of $5 a month. If our present system is not capable of giving people a decent living then it is time to change that system, and if those in office cannot tell how to change it they should get out and let others in who will at least see that our people get enough to eat, enough to wear and a decent house to live in.

Mr. LIONEL CHEVRIER (Stormont): Mr. Speaker, I understand that it is the desire of the house to take a vote this evening, and I do not intend to delay the vote. I should, however, like to make a few brief remarks relative to the speech from the throne, and I assure the house that if they will bear with me I shall try to be very brief.

Since the last session of this parliament many events of marked importance have taken place both in Canada and abroad. Those outside Canada have been the cause of much concern to us and have made us wonder whether another great conflict was not in course of preparation. In Europe the political atmosphere is clouded with uncertainty. Recent events in Spain, the verbal dual between Germany and Russia, the ever-increasing exigencies of dictatorship countries, have rendered the situation perplexing and embarrassing, and the consequences at the present time are very grave. The clash, should it come, seems likely to be one between classes, infinitely more serious than that between nations. In the international realm this country has moved with great caution. The attitude adopted by the Prime Minister (Mr. Mackenzie King) at Geneva, should, I believe, commend itself to the vast majority of the citizens of this country. The action of the several cabinet ministers in seeking to open up trade channels with the great countries of Europe has received nation-wide recognition. The idea of getting away from economic isolation has done much not only in preparing the way for peace but also in preparing the way for recovery toward which we are rapidly progressing.

Internally Canada's position, while still a serious one, and while still faced with major issues, indicates that we are fast emerging from the depression. We cannot but breathe a sigh of relief in scanning the figures of our export trade. With reference to this it is only fair to say that in the relatively short time this government has been in office it has guided the destiny of the nation safely and well. That it may continue to do so, and may pilot the ship of state safely into port, is the hope of all those who have at heart the interests of their country.

There has been marked recovery in agriculture. The cheese industry particularly has been active. Never since 1930 have cheese

prices reached the level which they did in 1936, the average yearly price per pound for that year being approximately 13 cents; the exact figure was 12·76. The value of cheese exports for 1936 exceeded the figure for 1935 by over $4,000,000. It is remarkable to note that the greater part of this increase in exports went to the United Kingdom, and the remainder to the United States of America. It is also interesting to note that there was exported to the United States in 1935 only $77,289 worth of cheese, whereas in 1936 there went to that country one and a half million dollars worth. It is also important to note that the total production of cheese in Canada during the twelve months just ended increased by 17·8 per cent. This is only one branch of agriculture, and it is worthy of note that this has been achieved without the intervention of the bonus. The farmer, as hon. members know, has had very difficult times in the recent past and we should be generous to him, because in times of difficulty, in times of economic strain, it is toward the farmer that we look very often for assistance. Therefore, when recovery and its forces are in the offing we should be generous with him.

The expansion in our export trade has been striking, as has been pointed out by one of the speakers this afternoon. The total exports for last year amounted to over $928,000,000, which is an increase of 22·6 per cent over 1935. For the twelve months' period, when the figures are known, they will doubtless be well over the billion dollar mark. The total favourable trade balance for the eleven months amounted to over $346,000,000, and while this is not a record it has been exceeded on only two previous occasions. The trade treaty with the United States is responsible in no small measure for the substantial increase in our export trade.

The national housing policy recommended by the employment commission and adopted by the government has already done much in reducing the number of unemployed. We can look to the future with confidence.

The county of Stormont, which I have the honour of representing in this house, apart from being the most beautiful in this dominion, is typical of the country in which we live. It is partly industrial and partly agricultural. Ethnically it is not unlike many of the great constituencies of this country, because in Stormont there live side by side descendants of the two great civilizations, the English and the French, which have contributed so much toward the development of this country. And what is more, these people live in perfect harmony. Of this there could be no greater proof than that the constituency, although in the majority English speaking, has seen fit to send to this house as its representative a citizen of French origin. I believe, Mr. Speaker, that the English speaking element of my constituency would wish me at this juncture to address myself to the house in the French language.

(Translation): Mr. Speaker, I simply wish respectfully to salute in my mother tongue, which is also yours, the French-Canadian element of my constituency. This element is composed mostly of workingmen and farmers, and in thinking of them I am reminded of the words of Longfellow in his immortal Evangeline:

Men whose lives glided on like rivers that water the woodland; darkened by shadows of earth but reflecting an image of Heaven.

Today the working masses are suffering; in nearly every country in the world they are the victims of individualism with its doctrine, its utilitarianism and its unrestricted competition which has degenerated in economic dictatorship, and the people are ready to believe that the only remedy to their evils lies in a complete overthrow of the social order. It is necessary to prove to those who suffer and are embittered against society that the remedy does not reside in the destruction of the existing order, but in its reform, for otherwise it will be impossible effectively to defend society against the assault of revolutionary forces.

If, Mr. Speaker, the forces of recovery are in the ascendant in some phases of the nation's activities, there is one phase in which those forces seem to be entirely lacking. That is in the relationship between capital and labour. The underlying causes of the depression are numerous. There is one, however, which stands out among all the rest, and that is the concentration of wealth and power in the hands of a few. There is another outstanding cause, if I may so say; that is, the abnormal relationship which presently obtains between capital and labour. There may be signs of recovery in the offing, but recovery in the true sense must benefit all classes of society, the poor as well as the rich, the feeble as well as the strong, the farmer and the wage earner as well as the high salaried director. In order to have stability in recovery there must be a more equitable distribution of wealth.

With the permission of the house, sir, as briefly as possible I should like to outline what I believe to be the true relationship which should exist between capital and labour and

which should bring to the working classes of this country a fairer share of the comforts of life to which they are justly entitled. Capital is the money, plant and machinery of the manufacturer, called the capitalist or employer, while labour is the work done or services rendered by the employee for the employer. Both of these great agencies are essential factors in the community, and neither can do much without the other. Both together produce what society needs. Then there is another all important factor, sir, and that is the community itself. Among these three great factors there should exist the closest cooperation and harmony. To some extent, perhaps, there should be a degree of partnership, and the three should work together for the common good.

Unfortunately, however, such is not the case. When industries establish themselves in a community many advantages are held out to them. They are given fixed assessments over a period of years, cheap water power and very often transportation facilities. In return for these advantages industries agree to erect certain plant and machinery and to employ large numbers of men. On their part there is also an implied obligation to employ these men under fair working conditions and to pay them just and equitable wages. There is also an obligation to employ them in such a manner that their health will not be injuriously affected. Many industries, however, have little or no regard for implied obligations. Some of them pay much more attention to their machinery than they do to the men who operate it. The result is that in some communities, instead of having the harmony and cooperation which should exist between the forces of capital and labour, there is a cleavage, and we have two groups each opposing the other, to the great detriment of the community.

The relationship of capital and labour is brought about by means of the contract of labour. The contract of labour is the leasing or hiring not of a material thing but of the services of an individual, that is, of a human being, and it is impossible to separate the individual from his work. The contract of labour embodies two obligations: first, that of paying for the services rendered according to their value and, second, that of making use of the object leased or hired according to its nature. The contract of labour might be likened to the leasehold of premises. In the leasehold of premises the tenant takes upon himself the obligation not only of paying rent but also of making use of the premises during the currency of the term in a fair and reasonable manner, and of giving up the premises at the end of the term in the same condition as they were at the beginning, reasonable wear and tear excepted. So in the contract of labour the employer agrees not only to pay a fair and reasonable wage to the employee but also not to abuse his services, so that when he has completed his work his health will not have been injuriously affected.

Unfortunately, sir, in many instances these obligations on the part of the industries are not respected. In numerous cases men and women are paid wages which are not only unfair and unjust but which are a disgrace to those who pay them. Furthermore, oftentimes men and women are made to work under conditions which are not only injurious to their health but, on account of the speed up and stretch out systems, tax their physical capacity to such an extent that their nervous system thereby becomes affected, and sooner or later they must give up their work and seek employment elsewhere. The reason for this unfair advantage being taken of the working classes is that in our day the manufacturer has become so powerful that he can dictate his terms and conditions to the labourer, who must accept them or very often do without work. Such a condition should not be allowed to exist, and in my humble opinion there should be state intervention.

I should like to go a step further and outline what I understand by a fair and reasonable wage. The general rule, sir, is that the employer should give the employee a wage or salary according to the value of his work, and in order to determine the value of a man's work it is necessary to consider its nature. Why does man work? Is it simply to chase away the blues, to form his character or to develop his muscular strength? To some extent, yes, but it is chiefly and mainly to earn a living. That is the reason man works; that is the object and end of man's work. Employer and employee may, if they so desire, bargain for a fixed wage, but over and above their bargain there stands the law of natural justice, more ancient and more sacred than all other laws, which stipulates that the wage paid by the employer to the employee should be a reasonable wage that will allow the employee to live respectably. This means that the wage should be sufficient to allow him to support and maintatin his family, pay his rent take an honest recreation from time to time and allow him to put something to one side for the day of sickness and difficulties. It is a known fact that wages in some industries are such that it is impossible for a man to maintain his family let alone pay rent and enjoy some of the ordinary comforts of life to which he is justly entitled.

During the depression, Mr. Speaker, many corporations pay and are still paying enormous salaries to their directors and hand out huge dividends to their shareholders, but they fail and are still failing to pay to their employees a just and equitable wage. I said a moment ago that I thought there should be state intervention, but I believe that first of all the problem is one which should be settled by the manufacturers because they are primarily responsible. It is they who have created the problem, and they should help to solve it. If they were to give to the solution of this problem but a fraction of the time they devote to their own affairs I believe they could solve it. Unfortunately, however, they seem to be concerned only in what will help them to advance their own interests, and when the state is asked to intervene, and says that it will intervene, the manufacturers object strenuously on the ground that there must be free and open competition, and on the further ground that wages must be fixed according to the law of supply and demand. They maintain the right to give the employee the wage which they can get him to accept. On the other hand they maintain the right to form huge monopolies, such as those of coal, gasoline, milk, meats, bread and other commodities, and when once these are established they sell to the consumer at the highest possible prices. They want the right to amass huge fortunes and still pay ridiculously low wages. If the employees threaten to organize, the manufacturers object, and yet they belong to the strongest price organizations of the world.

The time has come, to my mind, when there should be state intervention. There should be legislation governing the hours of work in each day and the days of work in each week. There should be minimum wage laws for men. There should be legislation governing the conditions under which men and women have to work. True, these are all matters outside the jurisdiction of this house unless, of course, the privy council should otherwise decree, but this house holds in its hand a powerful weapon with which it might strike, and that is the tariff. Many industries are in need of a protective tariff. There are some which could not carry on without it. I believe that every legitimate industry should be protected, but upon the distinct understanding that it will pass on to its employees in the way of better wages and better working conditions the benefits of this tariff so ardently sought.

At the turn of the century, Mr. Speaker, economic conditions in industry had a tendency in practically every nation to divide society into two groups; on the one hand, a minority of rich people holding power and wealth in their hands and enjoying all the benefits which modern invention could offer; on the other hand, a vast majority of working people enduring great hardships and attempting to extricate themselves from this condition as best they could. By the minority this condition was accepted as the result of the economic laws and as a condition which had always existed to a certain degree. The majority, however, refused to submit themselves to this condition, which was intolerable, and many of them thought that the only solution lay in a complete downfall of the social order.

As I sat in this house during the last session, Mr. Speaker, I heard reechoed on many occasions in this chamber the words, "democracy is on trial." There is no greater truism than that statement. But sometimes I wonder what is being done to save democracy. It is being attacked on all sides. It has committed many errors. It has been guilty of many crimes, and it is badly in need of reform. Many theories have been advanced to supplant it, and among them are communism and fascism, but these are remedies worse than the evil. Both are incompatible with the traditions and institutions of this country, and if those theories were to prevail there can be no doubt that complete chaos would follow in this country.

The solution, in my humble opinion, lies in reform and in a return to those two virtues of justice and charity, virtues as old as the day is long but which with the dawn of a new era seem to have been relegated to the past. If those institutions which hold in their hands power and wealth were to abandon their ideas of individualism and egotism and to mete out more in the way of justice and more in the way of charity, I believe that equilibrium in society would soon be restored. I believe, too, that the forces of capital and labour would take in society the positions they were meant to take, that of cooperating one with the other, of a harmonious relationship, of working together for the common good of all.

There is one other class in society which, I believe, deserves the condemnation of this house, and that is the group of agitators who have been at work within recent months with the object of creating excitement among the working classes, and with the object of confusing the working people for their own subversive ends. To use the words of the Minister of Labour (Mr. Rogers) in his New Year's eve message to Canada, "I believe that an intelligent public opinion will sooner or later condemn these agitators."

It must be a source of gratification to this government, Mr. Speaker, to know that the forces of recovery are again in the ascendant. But this time let us have recovery in the true sense of the word; let us have recovery which will benefit all classes of society, from the most humble citizen of the realm to the most powerful. In that way those forces which seek the downfall of the social order will soon disappear, and we in Canada will march on toward higher and better things.

Motion (Mr. McLarty) agreed to.

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

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.

Motion agreed to.

SUPPLY

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

That this house will, on Tuesday next, resolve itself into a committee to consider of a supply to be granted to His Majesty.

Motion agreed to.

WAYS AND MEANS

Right Hon. W. L. MACKENZIE KING (Prime Minister) 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, 1937-38

Hon. CHARLES A DUNNING (Minister of Finance) moved:

That the message of His Excellency the Governor General, together with the estimates presented this day, be referred to the committee of supply.

Right Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, I think there would be some question as to whether we can refer estimates to a committee which does not exist. This committee will not exist until to-morrow, when the Minister of Finance (Mr. Dunning) is going to set it up.

Mr. DUNNING: I think the same question was raised a year ago.

Mr. BENNETT: But in a different form.

Mr. DUNNING: If my recollection serves me well, it was decided then that once the house had determined to set up the committee, it was in fact in effect and the estimates could be referred to it. Authorities were quoted on that occasion.

Mr. BENNETT: The notice of motion was that Mr. Dunning would on Tuesday next move to set up the committee of ways and means and that he would move the house into supply. It is all right, but I just direct attention to it.

Motion agreed to.

On motion of Mr. Mackenzie King the house adjourned at 10.55 p.m.

Tuesday, January 19, 1937

The house met at three o'clock.

DOMINION FRANCHISE ACT

Hon. FERNAND RINFRET (Secretary of State) moved for leave to introduce Bill No. 7, to amend the Dominion Franchise Act.

Mr. BENNETT: Explain.

Mr. RINFRET: The purpose of the amendment is to postpone the revision of the existing list for one year. It is similar to the one adopted last year.

Motion agreed to and bill read the first time.

HARBOURS AND PIERS ACT

Hon. C. D. HOWE (Minister of Transport) moved that the house go into committee at the next sitting to consider the following proposed resolution:

That it is expedient to introduce a measure to amend the Government Harbours and Piers Act to substitute the Minister of Transport for the Minister of Marine and Fisheries; to except from the operation of the act harbours under the management of the national harbours board; to confer on the minister power of appointment of officers, clerks and employees; to deal with the collection and disposition of tolls and dues and to charge certain expenses against such tolls and dues.

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.

SPANISH CIVIL WAR

ENLISTMENT IN CANADA FOR MILITARY SERVICE IN FOREIGN COUNTRIES

On the orders of the day:

Mr. O. B. ELLIOTT (Kindersley): I wish to direct a question to the Prime Minister

(Mr. Mackenzie King) regarding the enlistment of Canadian volunteers in the Spanish civil war. The question is this: Is it the intention of the government to support the British policy of banning the recruiting of Canadian volunteers for the civil war in Spain?

Right Hon. W. L. MACKENZIE KING (Prime Minister): My hon. friend was kind enough to give me advance notice of this question. I shall give him at the moment an answer which will perhaps serve the immediate purpose, but the subject is a large one and there may be something more to be said with respect to it later on.

In view of recent developments, the question whether any special action should be taken regarding control of enlistment in Canada for military service in foreign countries has been under examination. Canada is not included in the twenty-seven countries, all European states, which are represented on the non-intervention committee organized to deal with the Spanish situation, and which has made recommendations to the governments represented thereon for the prohibition of the substantial enlistment on both sides in the Spanish conflict which has taken place from European centres. The question, however, will continue to be given consideration.

CUBAN DUTY ON SEED POTATOES

On the orders of the day:

Hon. NORMAN McL. ROGERS (Acting Minister of Trade and Commerce): When the orders of the day were called yesterday a question was addressed to me by the hon. member for Royal (Mr. Brooks) respecting the admission of Canadian certified seed potatoes into the Cuban market. I find that the information which would answer this question is somewhat technical and does not lend itself to an oral reply. If the hon. member would be willing to place his question on the order paper, I think that would be a more satisfactory means of affording the information desired.

DEATH OF INDIAN BOYS

INQUIRY AND STATEMENT OF MINISTER AS TO FATALITY ON FRASER LAKE, BRITISH COLUMBIA

On the orders of the day:

Mr. ANGUS MacINNIS (Vancouver East): I wish to ask the Superintendent General of Indian Affairs whether he will make a statement to parliament with reference to the death of the four small Indian boys who were found dead on the ice of Fraser lake in northern British Columbia on the morning of January 2. The circumstances under which these boys died have been commented on in the press throughout Canada and I think that, inasmuch as they were wards of Canada, parliament is entitled to a statement from the Superintendent General of Indian Affairs.

Hon. T. A. CRERAR (Minister of Mines and Resources): I thank the hon. member for giving me notice this morning that he intended to ask this question. May I correct him on one point. There is no longer a superintendent general of indian affairs, since that office was merged with the Department of Mines and Resources.

The information we have at the present time with respect to the sad occurrence to which the hon. member refers is very briefly as follows: On New Year's Day, January 1, four small Indian boys, ranging in age from seven to nine years, left the Indian school at Lejac in northern British Columbia, on the main line of the Canadian National Railways, for home, and were frozen to death. An inquest was held a few days later. As far as the facts are disclosed by the report of the coroner's inquest, and also the report of the Indian agent for the district, they appear to be as follows: On January 1, which was of course a holiday, these youngsters asked in the morning or some time later in the day if they might be allowed to visit their parents some seven miles distant across Fraser lake. Permission was refused by the school authorities for the reason that the distance was so great. The boys were present at four o'clock in the afternoon when refreshments were served to the Indian children. At six o'clock they were reported absent from attendance at the evening meal by the Sister Superior. Apparently that report did not reach the principal of the school until nine thirty, according to the information we have. In the meantime these youngsters had left to travel seven miles to their home. The weather was rather severe at that time, and as hon. members will know, since this district is in the neighbourhood of the 50th parallel of latitude, the evening falls early there. They probably did not leave the school until dusk or approaching dusk. The principal assumed that they had gone home. Now here there comes a conflict in the reports. In a letter which the principal of the school sent to his superior in Winnipeg he stated that there were a number of Indian families visiting at the school on this day, the parents of these children not being among them, and they surmised that the youngsters had gone

back to the reservation with one of these families. Unhappily this turned out not to be correct.

The bodies were not discovered until the next day. The following forenoon, or about noon, the school authorities dispatched a sleigh to bring the youngsters back to the school. When the homes of the parents were reached it was discovered that the boys had not arrived; search was instituted and in a short time the bodies were discovered on the ice of Fraser lake.

An inquest was held on January 4, and the school was exonerated from any blame. It may be of interest to the house, because the occurrence is a very sad one, if I give the finding of the inquest. After stating that death was due to exhaustion and consequent freezing, the jury reported:

> We, the jury, feel that such circumstance was unavoidable in view of the evidence in this case.
>
> We feel, however, that more definite action by the school authorities might or should have been taken the night upon which the disappearance took place.
>
> Further, it is our opinion that more co-operation between the authorities and the parents of the children would in future help to lessen the danger in the future of any repetition of such an incident.
>
> Also that excessive corporal discipline, if practised, should be limited and that better understanding would exist between pupils and disciplinarians if the latter were English-speaking.

There is no evidence that there was any corporal punishment. It is true that a report appeared in some of the western papers that the youngsters had received corporal punishment as a result of which they had left the school. I think that is unlikely, especially in view of the fact that they left on a holiday when the ordinary school was not in session and when apparently they were having the festivities usually associated with New Year's Day. We have not yet received, although we have wired for it, a copy of the evidence taken at the inquest. In fact I am not sure the evidence was reported verbatim, and I am unable at the moment to inform the house on that point. But if it was reported verbatim the report will be received in due course and will be studied. In the meantime I am giving consideration to the matter of recommending to my colleagues that an inquiry into all the relevant facts be made by a judge. But before reaching a final decision on that I prefer to wait and study the evidence taken at the inquest if it is available.

[Mr. Crerar.]

ABDICATION OF KING EDWARD VIII

ALTERATION IN THE LAW TOUCHING THE SUCCESSION TO THE THRONE

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved the second reading of Bill No. 1, respecting alteration in the law touching the succession to the throne.

He said: Mr. Speaker, the purpose of this bill is to secure the assent of the parliament of Canada to the alteration in the law touching the succession to the throne set forth in the act of parliament of the United Kingdom intituled, His Majesty's Declaration of Abdication Act, 1936. The United Kingdom Act is printed as schedule two to the bill, which is now before the house.

It may perhaps serve to limit discussion and to make clear exactly what is intended by the provisions of His Majesty's Declaration of Abdication Act if I read to the house what was said at Westminster by the Prime Minister of the United Kingdom on the second reading of the bill, and also what was said in the House of Lords by the Lord Privy Seal, who was in charge of the measure in the House of Lords.

As hon. members will recall, the abdication bill was introduced in the commons at Westminster on December 10 and received its first reading on that day. The second reading took place on the morning of December 11. Speaking on the second reading, the Right Hon. Stanley Baldwin said:

> The provisions of this bill require very few words of explanation from me at this stage. It is a matter which of course concerns the dominions and their constitutions just as it concerns us. As the house will see, four dominions—Canada, Australia, New Zealand and South Africa—have desired to be associated with this bill. As regards the Irish Free State, I received a message from Mr. de Valera yesterday telling me that he proposed to call his parliament together to-day to pass legislation dealing with the situation in the Irish Free State. The legal and constitutional position is somewhat complex, and any points with regard to that which anyone desires to raise would more properly be dealt with at a later stage.
>
> The bill gives effect to his majesty's abdication, and provides that His Royal Highness the Duke of York shall succeed to the throne in the same way and with the same results as if the previous reign had ended in the ordinary course. It is necessary to have an act of parliament because the succession to the throne is governed by the Act of Settlement, which makes no provision for an abdication or for a succession consequent upon an abdication. It is also necessary expressly to amend that act by eliminating his majesty and his issue and descendants from the succession. This is affected by subsections (1) and (2) of clause 1.
>
> Subsection (3) deals with the Royal Marriage Act, of 1772. This act provides, in effect, that

no descendants of George II, other than the issue of princesses married into foreign families, shall be capable of contracting a marriage without the consent of the king, with the proviso that where that consent is refused in the case of such a descendant above the age of 25, he may give notice to the Privy Council, and the marriage may take place after twelve months unless within that period both Houses of Parliament have expressly declared their disapproval of the marriage. The act was passed merely to provide a measure of control over the marriages of those who might succeed to the throne or whose descendants might succeed. It would be clearly wrong that the provisions of the act should apply to his majesty and his descendants, who, on the passing of this act, will cease to have any right in the succession.

Those were Mr. Baldwin's words on the second reading. Viscount Halifax, Lord Privy Seal, spoke as follows in the House of Lords on the second reading:

The bill itself is a plain and simple and short one. Your lordships will observe that in the second paragraph of the preamble the bill records the consent of the Dominion of Canada and the assent of the Commonwealth of Australia, the Dominion of New Zealand, and the Union of South Africa to it. The preamble is drawn in rather complicated form consequent upon the statutory form of the Statute of Westminster, and the preamble represents the result of protracted consultations with the governments of the dominions, and as it stands, carries the full agreement of all the dominions that are mentioned in it.

Clause 1 gives effect to his majesty's declaration of abdication and makes the necessary provision to that end. I might perhaps particularly call your lordships' attention to the words in subsection (1), "and there shall be a demise of the crown." The purpose of those words is to make it clear that the passing of the crown by other than death does in fact constitute a demise of the crown in order that what I may call the machinery of the state shall continue without interruption.

I believe that up till a certain date in our history that was not so—various remedial measures to avoid such interruption have from time to time been passed, and these remedial measures have always talked about demise. Therefore it is important to secure the remedial effect of those measures for the continuation without interruption of the matters to which they referred by employing that phrase in this bill.

Subsection 2 makes it plain that the necessary alteration of the Act of Settlement follows the surrender by his majesty, on his behalf and of his descendants, in the succession to the crown, and, lastly that that having been done and his descendants being thereby excluded from the line of succession, subsection 3 makes it plain—as indeed would be no doubt considered appropriate—that the Royal Marriages Act no longer applies to any such issue.

I might supplement what is set forth in these two statements by adding that the title to the crown was vested by the Act of Settlement of 1701 in the heirs of the body of Sophia, Electress of Hanover and granddaughter of James I. This provision involved the crown descending, with certain exceptions, as if it were real property, under the law of inheritance of the United Kingdom before 1926, when this branch of the property law was altered. Power remained in the king in parliament to alter the succession. Until 1931 this power to alter the succession was vested solely in the parliament of the United Kingdom. In that year formal recognition was given to the fact that the succession to the throne was a matter of direct and deep concern to all the members of the British commonwealth of nations. That recognition is set forth in the Statute of Westminster, both in section 4, which was read repeatedly yesterday, and in the preamble. Let me re-read section 4 of the Statute of Westminster:

(4) No act of parliament of the United Kingdom passed after the commencement of this act shall extend or be deemed to extend to a dominion as part of the law of that dominion unless it is expressly declared in that act that that dominion has requested, and consented to, the enactment thereof.

As the parliament of the United Kingdom could not, under the terms of the Statute of Westminster, pass an abdication act which would extend or be deemed to extend to Canada unless the dominion had requested such legislation in advance and consented thereto, steps were taken in the most expeditious and appropriate manner to convey that request and consent and to secure their expression in the United Kingdom Act. Steps are now being taken to secure the assent of the parliament of Canada necessary to the alteration in the law touching the succession to the throne.

I need not repeat what was said yesterday with respect to the manner in which this dominion signified the request and consent of Canada to the enactment of the abdication act. I wish, however, to answer, if I may, a point which was raised by the hon. member for Winnipeg North Centre (Mr. Woodsworth) on a previous day, when he inquired whether it was not a fact, if the action of the government on December 10 was constitutional, that further legislation was unnecessary.

My reply to that question is, certainly not. The action of December 10 was designed to secure immediate legal effect to the change. The present legislation is designed to carry out the constitutional convention expressed in the preamble to the Statute of Westminster. Let me read the constitutional convention as it appears there. Of course the preamble, as hon. members know, is not an operative part of the statute; nevertheless

whatever appears in the preamble is of special significance in relation to the purposes of this statute itself. The constitutional convention is set forth as follows:

And whereas, it is meet and proper to set out by way of preamble to this act, that, inasmuch as the crown is the symbol of the free association of the members of the British commonwealth of nations, and as they are united by a common allegiance to the crown, it would be in accord with the established constitutional position of all the members of the commonwealth in relation to one another that any alteration in the law touching the succession to the throne or the royal style and titles shall hereafter require the assent as well of the parliaments of all the dominions as of the parliament of the United Kingdom.

The act which has been passed by the British government does alter the law touching the succession to the throne, and it is for that reason we are now asking the assent to its provisions of the parliament of Canada.

Mr. BENNETT: In what regard does it alter the law?

Mr. MACKENZIE KING: In the particular which I have just quoted in what I read from the statement of the Prime Minister of Great Britain.

Mr. BENNETT: The succession to the throne is still the same as it was under the Act of Settlement; the Duke of York succeeded.

Mr. LAPOINTE (Quebec East): But the children of Edward will be barred.

Mr. BENNETT: There are none.

Mr. MACKENZIE KING: There have been days, as I think my right hon. friend said yesterday, when there were pretenders to the throne, and it might be advisable to provide in advance that no pretender who might arise in future should be able to cite his right to the succession by virtue of no change having been made in the law touching on the succession at the time George VI succeeded Edward VIII. It was necessary expressly to amend the act of settlement by eliminating the former King Edward VIII and his issue and descendants from the succession.

May I mention another reason why it is advisable that this parliament should give its assent to the alteration in the law respecting the succession. The British North America Act, the written part of our constitution, repeatedly makes specific reference to the crown and the position the crown holds with respect to legislation in our parliament and in the legislatures of the several provinces. The preamble reads:

[Mr. Mackenzie King.]

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—

I direct the attention of the house to the fact that the reference there is to the crown of the United Kingdom of Great Britain and Ireland. Similarly section 2 contains the following words:

2. The provisions of this act referring to Her Majesty the Queen extend also to the heirs and successors of her majesty, kings and queens of the United Kingdom of Great Britain and Ireland.

And in other sections of the act—section 9, for example—executive government and authority of and for Canada is hereby declared to continue and be vested in the queen. I might mention sections 17, 55, 56, 57 and 91, all of which have reference to the queen and her successors. I shall leave it to my hon. colleague the Minister of Justice (Mr. Lapointe) to deal with the legal aspects of the matter. I hope I have explained, in a manner which will permit debate to proceed intelligently, the purpose and significance of the measure and why it is introduced at this time.

Before concluding may I address a few remarks to my hon. friend, the member for St. Lawrence-St. George (Mr. Cahan). Last night he and I spoke with reference to the relation of parliament to abdication, and I thought at the time and saw, when reading Hansard later, that we were speaking at cross purposes. I had in mind the right of a sovereign to abdicate. My hon. friend was emphasizing the necessity of parliament acting with respect to abdication. I thought he was pointing out that the sovereign could not abdicate unless parliament permitted him so to do. If that was his point of view I must maintain the position I took at the time, namely that parliament cannot prevent a sovereign from abdicating if he wishes to abdicate. I grant that action by parliament is essential to validate the position of the successor where a sovereign has abdicated or been deposed, and it was for this reason the parliament at Westminster took the action it did when Edward VIII executed an instrument of abdication, and asked parliament to give effect to it.

I had in mind at the time of speaking one or two authorities on the subject. In this connection I should like to quote a paragraph from an article by Mr. J. A. Spender, which appeared in the January Fortnightly under the heading King and People. I believe hon.

members will agree that few if any persons are more qualified than Mr. Spender from a wide knowledge and close study of parliament and its proceedings to speak with authority upon the position of the sovereign in relation to parliament and the people. In this article at page 7 Mr. Spender says:

> Learned lawyers suggested all manner of difficulties in the Statute of Westminster when the question of the King's abdication arose. It has never been questioned that abdication is within the discretion of the sovereign. It was a favourite device of Queen Victoria's to hint at this possibility when displeased with her ministers. She had this remedy, she reminded them in 1871, if they would insist on keeping parliament sitting interminably and compelling her to remain in England until it was prorogued. Taking from the Lords their power to alter or reject measures, she told Campbell-Bannerman when he was minister in attendance at Balmoral in 1894, was something which "might be obtained from a president, not from her." The question at this point was not whether the sovereign has the right to withdraw, but what measures would be necessary to validate the position of his successor and to bar the succession to any children of the former king.
>
> There was no difficulty about this in the British parliament, but corresponding legislation was necessary in all the dominion parliaments, and it was asked with some apprehension, would they all accept the Duke of York, might not some of them seize the opportunity to advance republican ideas, and if one of them dissented, would not the validity of the succession be open to question by all under a strict interpretation of the Statute of Westminster?
>
> The event dissipated all these fears and alarms. The commonwealth parliaments acted in unison with Great Britain and with remarkable unanimity and promptness.

This quotation, I trust, will serve to make clear what I was seeking to assert with respect to a sovereign's right to abdicate, and the function of parliament with respect thereto.

Hon. C. H. CAHAN (St. Lawrence-St. George): Mr. Speaker, with regard to the authorities—or alleged authorities—which are quoted, and particularly with reference to the observations of Mr. Spender, may I say that I regard Mr. Spender's article as a popular interpretation of the difficulties which arose in England by reason of the king signing his letter of abdication, rather than an expert opinion upon the constitutional difficulties therein involved.

At the outset I desire without reservation whatsoever to acknowledge the validity and sufficiency of the act of parliament of the United Kingdom enacted on December 11 last, and entitled His Majesty's Declaration of Abdication Act, 1936, which received the assent of His former Majesty King Edward VIII. There can be no doubt about that, and I will not find it necessary to repeat this observation in the argument I am about to make. That is fundamental. The act known as His Majesty's Declaration of Abdication Act was enacted by a parliament having paramount jurisdiction and authority, and its validity cannot be questioned. Therefore I say that there is no doubt whatever, and that no doubt can arise as to the status of our present king, George VI. His Majesty has succeeded to the throne, and to all the rights, privileges and dignities thereunto belonging.

I desire nevertheless to consider the act of the parliament of the United Kingdom and the measure before us in the light of the grave constitutional precedents which have been established thereby. Upon the former king assenting to the act in question, there was a demise of the crown. I suggest, still, that there was no demise of the crown until that act passed and was assented to. It is not necessary for us to split verbal subtleties over the matter. Upon the demise of the crown, the act expressly provided for the succession of our present king, George VI. Furthermore it provided a few details in connection with the demise and the exclusion of any possible heirs of the former king. I shall repeat the provisions:

> (1) Immediately upon the royal assent being signified to this act, the instrument of abdication executed by His present Majesty on the 10th day of December, one thousand nine hundred and thirty-six, set out in the schedule to this act, shall have effect and thereupon His Majesty shall cease to be king and there shall be a demise of the crown, and accordingly a member of the royal family next in succession to the throne shall succeed thereto and to all the rights, privileges and dignities thereunto belonging.

That act was passed by a supreme parliament. Notwithstanding the provisions of the Statute of Westminster, in so far as those provisions may not have been in accord with the act passed on December 11, that latest act was valid.

A proclamation was then made that the new king had ascended the throne. The ordinary formalities were complied with in the streets of London and in the public places of that city. Thereupon an instrument was signed by His Excellency the Governor General of Canada, and also I think by the Secretary of State of Canada, which declared to the people of Canada that King George VI had succeeded to the throne. It was provided, and properly so, by whoever had jurisdiction in the matter, that every member of this house should subscribe to the oath of allegiance to the new king before taking his seat in the house.

The king mentioned in the British North America Act, which has not been amended, is the king of the United Kingdom of Great Britain and Ireland. I suggest that there can be no division of the throne. At times I read in the papers of the king as the king of Canada, which may be a popular style of reference. I saw also what I thought was a rather silly and grotesque statement by a newspaper in one of the maritime provinces to the effect that for the first time the king was being recognized as the king of certain provinces in this dominion. The king is the king of the different provinces, in a sense; the king is the king of the city of Ottawa; the king is the king of the county of Wright, but only because these different localities with certain geographical descriptions are included in the Dominion of Canada, in the commonwealth of nations and with the possessions and territories of the crown throughout the British Empire.

There is but one king and no matter what action was taken by the government of Canada it could not effectively destroy the legal fact that the proclamation of George VI as king in London under a statute of the imperial parliament constituted him as king with all the attributes and qualities which are mentioned in the British North America Act. In fact we had to consider this whole question in a statute passed in 1934 with reference to the oaths of allegiance, after the Statute of Westminster had been duly enacted in 1931. Chapter 21 of the statutes of 1934 provided that except in the case of the oath to be given under the provisions of the Naturalization Act, which is provided for by a special statute in accordance with another imperial statute dealing with naturalization, and excepting the oath prescribed for members of parliament by the British North America Act, which this parliament could not amend or modify, the oath of allegiance to be administered in Canada on all occasions shall be the following:

> I, A.B., do swear that I will be faithful and bear true allegiance to His Majesty King George the Fifth, his heirs and successors according to law. So help me God.

Then follows another provision:

> (2) Where in the said oath of allegiance the name of His present Majesty is expressed, the name of the king or queen of Great Britain, Ireland and the British dominions beyond the seas, for the time being, shall be substituted from time to time.

Clearly admitting that there could be no separate king for Canada, and clearly admitting that in accordance with the provisions of the British North America Act, which we all recognize, the king of the United Kingdom is and will continue to be the king mentioned and described in the British North America Act, 1867, which establishes the Canadian constitution. The king of the United Kingdom is "His Majesty" who is a constituent part of all legislation passed by the parliament of Canada.

I am not dealing with the provisions of other dominion constitutions because they are somewhat different. There was a distinct provision in the Union of South Africa Act of 1909, and again in the act of 1934. My impression, which is that of one who is not acquainted with their law and constitution beyond reading from time to time the provisions thereof, is that the Union of South Africa has declared that the king of the United Kingdom shall be deemed to be the king of South Africa under its constitution. Certain reservations have been made which just suggest the possibility that South Africa might change its allegiance by secession. Similar suggestions have come from the Irish Free State from time to time, but none of these have any validity except as hypothetical cases suggested for the purposes of political discussion.

When an abdication has taken place which is recognized by a statute applying to every part of the king's dominions, colonies and possessions, why should we at this stage take the novel and ineffective course of providing by statute that this king, who has been proclaimed in Canada as elsewhere throughout the empire, should be deemed by an act of the parliament of Canada to be the king of the United Kingdom and of all parts of the empire? I should like to suggest that the drafting of the bill to confirm the abdication act was perhaps hurriedly done. But the "whereases" provided in the preamble to that act are not binding provisions of the statute, and have no legal effect in construing the enacting clauses themselves.

I notice that in a statement which was given to the public by the Prime Minister on December 10 last he said:

> Following upon the receipt this morning of the expression of the king's declaration and desire, an order of his excellency the governor general in council was approved, embodying the necessary request and consent to the enactment of the appropriate legislation as regards Canada by the parliament of the United Kingdom, and the government of the United Kingdom was advised accordingly.

He then proceeds to deal with the Statute of Westminster, and says:

> The statute as a whole does apply to Canada, which is therefore guaranteed under section 4 that no legislation of the United Kingdom

parliament can apply to Canada unless Canada has expressly requested such application in advance, and consented to its terms.

The order in council of December last, as the Prime Minister stated last evening, is the only document by which Canada requested and consented to the proposed act of the imperial parliament. The newspapers state that the meeting of council was convened at 9.30 in the morning. I assume that some time must have elapsed for so momentous a decision to be given by the members of His Excellency's council, but 9.30 in the morning in Ottawa is 2.30 in the afternoon at Westminster. About three o'clock at Westminster the bill was introduced in the parliament of Great Britain. So that any criticism I make of the order in council and of the statute which is alleged to have been passed in consequence of that order in council is softened and modified somewhat by the fact that these hon. gentlemen meeting at 9.30 in the morning, had only a half an hour in which to approve and finally carry through the order in council dealing with so momentous a matter, and then have it embodied in the form of a cable addressed to the government at Westminster.

Mr. MACKENZIE KING: May I say to my hon. friend that I explained yesterday that the government had very carefully considered all possibilities and had given the utmost time and thought to what it might be necessary to do in what necessarily would be a very short time. The fact that council met formally between 9 and 9.30 to pass the order in council does not mean that the order in council had not been very carefully considered and very carefully drafted a day or two days before it was approved.

Mr. CAHAN: I was trying to excuse the right hon. gentleman, as one who, with his colleague the Minister of Justice (Mr. Lapointe), introduced that draft order to council, because on its face it seems to be one of the most hopelessly confused examples of draftsmanship that has ever come to my knowledge among the records of the privy council.

Mr. MACKENZIE KING: That is only my hon. friend's opinion.

Mr. CAHAN: That is my opinion, and I am stating it frankly.

Mr. LAPOINTE (Quebec East): We have had my hon. friend's views on other legislation before.

Mr. CAHAN: Let us deal with the Statute of Westminster. The Statute of Westminster was not drafted with such expedition as was the Act of Abdication or the order in council upon which it was assumed to be based. The Statute of Westminster was approved at an imperial conference, which reported upon the operation of the dominion legislation in 1929, and the provisions of the proposed statute, so far as they refer to Canada in that recommendation and report of 1929, signed by the present Minister of Justice, were accepted and approved at a later date by resolution of a provincial conference held at Ottawa in 1931. In the meantime the imperial conference of 1930 had met and approved of the recitals to the proposed Statute of Westminster, but the prime minister of that day, the present leader of the opposition (Mr. Bennett), suggested that before final assent should be given to the provisions of that statute they should be considered by the representatives of the provinces of Canada. The result was that a provincial conference was convened in Ottawa early in 1931; on June 30, 1931, a joint resolution of both houses of parliament was approved by the Commons, and on July 6, 1931, that same joint resolution approving of the terms of the statute was passed by the Senate of Canada. It appears in the volume of our statutes for 1931.

The Statute of Westminster was subsequently enacted in December 1931. My right hon. friend the prime minister in his address stated that some significance was attributable to the fact that in respect of the request and consent of the dominions, it was not stated in section 4 of the Statute of Westminster that that should be the request and consent of the parliament of Canada; and by reason of the fact that the parliament of Canada was not mentioned he assumed, as he often makes assumptions, that the government of Canada could act in requesting and consenting that imperial legislation should apply to the Dominion of Canada in a special way, as provided under section 4 of the Statute of Westminster.

Mr. MACKENZIE KING: My hon. friend's leader made the same assumption.

Mr. CAHAN: I did not catch it if he did, but even if he did, if it came up for discussion my leader is always open to hear discussion of legal points, and I have known him as well as eminent men on the bench to reverse their preliminary opinions after hearing a full discussion.

Where, I would like to know, does the dominion government get authority for any order in council except through a Canadian statute? Has it not been declared time and

time again by the competent courts of Canada that an order in council passed and approved by His Excellency the Governor in Council is valid and legally effective only when there is found supporting statutory authority for the passing of that order in council? This is not the United States of America. There, by their constitution, the president is made the chief executive of the republic, with vast powers vested in him, the like of which are not known outside of one of the modern states—fascist or nazi or communist. We have lived so long in proximity to the United States and the Prime Minister has considered American legislation and American methods to such an extent that he evidently loses sight of the fact that this country is not a part of the United States of America, and that the United States constitution does not apply to Canada. In this country no order in council is effective unless it has the authority of a Canadian statute behind it to render it valid and effective. In the conference of the premiers of the dominion that was the issue we were considering; we considered it time and again, studying the possible effect of those clauses of the proposed Statute of Westminster which would have effect within the confines of Canada. As I remember, it was distinctly said that the request and consent of the Dominion of Canada inevitably and necessarily meant one of two things: either that that request and consent should be made by parliament, as we were discussing it then, in the way in which parliament has always made similar requests and consents, by joint resolution of the Senate and House of Commons of Canada; or that it must be made, if made by a government, in virtue of some statutory authority enacted by the parliament of Canada, expressly vesting in the government the right by order in council to transmit such request and consent.

The right hon. gentleman and those associated with him have presumed without any such statutory authority, by an order in council passed by the governor in council alone, to request and consent to imperial legislation, and to secure that imperial legislation passed by the parliament of the United Kingdom should extend to Canada as part of its fundamental law. This action by order in council had never entered the mind of any sane man who attended either of those conferences at which I was present. It never was discussed; it never was suggested. What does it mean? And it is to this that I wish to call attention, because the action of the government, in requesting the passing of this Declaration of Abdication act, establishes a precedent of most momentous import to the whole people of Canada. It implies that a government in Canada, simply because it deems it politic to do so, without statutory authority from the parliament of Canada—with no more authority than the three tailors of Tooley Street had to enact imperial legislation—may propose that legislation intimately concerning and affecting Canada, passed by the United Kingdom, shall apply as part of the law of Canada and become effective and be recognized necessarily by all the courts of Canada without the Commons consenting, and without the Senate of Canada consenting. What does that signify?

The right hon. gentleman says that if the Commons of Canada does not approve of the arbitrary action which has been taken, then it can vote to turn out the government and put another government in office. That is the reply he makes.

Mr. MACKENZIE KING: No; it was my hon. friend's leader who said that.

Mr. CAHAN: No.

Mr. MACKENZIE KING: Oh, yes.

Mr. CAHAN: You said it first.

Mr. MACKENZIE KING: Surely the hon. gentleman does not think that I would be able to get ahead of his leader to that extent.

Mr. CAHAN: I am not trying to get ahead of anyone. I did not understand him to say so. But what does it mean? It means that the Commons of parliament has supreme authority and is in a position to exclude the Senate from legislative action in respect of important measures affecting the life and property of the people of this country. That is what it means. It means a violation of the express provisions of our own British North America Act, that legislation shall be enacted by the two houses of parliament, and that they alone can grant authority to the government. They alone have authority to enact and apply legislation to the whole dominion.

Now this order in council is a precedent. In my lifetime, which is short, it may not cause grave difficulties in Canada. It may not do so within a year or two, but I am convinced as I stand here to-night, with eternity in front of me, that the time will come when that precedent will be regarded by the people of the country as a whole as a most violent disruption or attempt to disrupt the whole constitution of Canada as at present expressed in our British North America acts, and as expressed in the com-

plementary legislation which parliament has passed by virtue of the authority of those acts.

I have an entirely different theory. I may be wrong, but I doubt whether section 4 of the Statute of Westminster applied to this condition at all. I doubt whether it applied to the abdication of King Edward VIII. I doubt whether legislation should have been passed under that section, because, no constituted parliament or government of any dominion had the legislative jurisdiction to deal with an act of abdication. We are circumscribed within the four corners of the British North America Act. Do you find there any authority for the parliament or Canada to change the succession or to deal with the accession of a new king, or to exclude a former king and the heirs of his body from the succession? Do you find that anywhere in the British North America Act? That is one of the subjects which have never been vested by the imperial parliament in any dominion of the commonwealth. It never was vested in Canada. Therefore, when we dealt with that matter, the imperial parliament was unwilling and regarded it as imprudent to divest itself of its exclusive authority to deal by legislation with such matters.

The right hon. gentleman read the provision:

> . . . that any alteration in the law touching the succession to the throne or the royal style and titles shall hereafter require the assent as well of the parliaments of all the dominions as of the parliament of the United Kingdom.

That was not placed in one of the enacting clauses of the Statute of Westminster and in the deliberations of the several imperial conferences attention was directed to that fact. The Minister of Justice has subscribed his name to at least two reports which I remember, in which it is expressly stated that the placing of such a clause in the preamble to the Statute of Westminster was a mere convention, that it simply stated expressly what were the conventions then existing which had grown out of the use and custom of the United Kingdom in its relations to the dominions and others. And it was said that if that clause were inserted in the statute as one of its enacting clauses of the Statute of Westminster it would effect such rigidity as would render it almost inapplicable to cases of exigency and crisis which might hereafter arise. Therefore that clause was placed in the preamble where it has no effective legal binding authority or obligation.

But in dealing with that clause the various conferences or parliaments considering the matter never suggested that the assent of the government of this dominion might be required. It was not left open to the suggestion that following some precedent of some despotic country the government or the despotic head of that government, without statutory authority from its parliament, could deal with such an important matter without consulting the popular assembly if such existed. But this preamble has no legal or binding authority; it is inserted by way of advice as to the constitutional procedure that should be followed. It says:

> And whereas it is meet and proper to set out by way of preamble to this act that, inasmuch as the crown is the symbol of the free association of the members of the British Commonwealth of Nations, and as they are united by a common allegiance to the crown, it would be—

It does not say it is.

> —it would be in accord with the established constitutional position of all the members of the commonwealth in relation to one another that any alteration in the law touching the succession to the throne or the royal style and titles shall hereafter require the assent—

Of whom? Of the governor general in council? Of the Minister of Justice? Of the Prime Minister? No. It expressly states:

> —shall hereafter require the assent as well of the parliaments of all the dominions as of the parliament of the United Kingdom.

Yet the right hon. gentleman goes to another section and says that because the words "Dominion of Canada" are there mentioned it is left perfectly free for the governor in council without statutory authority to assume that position and to fulfil that definite requirement of constitutional custom and procedure.

I have taken a good deal of time. I have a number of authorities; I do not intend to cite them, but when this matter was before the imperial conference of 1930, at which Canada was represented by the present leader of the opposition, it was made clear on page 18 of the British report—I have not the Canadian report at hand—as follows:

> To this end it seemed desirable to place on record the view that the sections of the statute relating to the Colonial Laws Validity Act should be so drafted as not to extend to Canada unless the statute was enacted in response to such requests as are appropriate to an amendment of the British North America Act. It also seemed desirable to place on record the view that the sections should not subsequently be extended to Canada except by an act of the parliament of the United Kingdom enacted in response to such requests as are appropriate to an amendment of the British North America Act.

That paragraph clearly indicates the nature of the request which was to be made by or

on behalf of Canada in order that an imperial enactment might hereafter extend to Canada as a part of the law of Canada.

Now I ask the right hon. gentleman what is the real significance of this bill which he proposes to enact? The bill contains certain recitals by way of preamble, and then goes on to say:

1. The alteration in the law touching the succession to the throne set forth in the act of the parliament of the United Kingdom intituled "His Majesty's Declaration of Abdication Act 1936" is hereby assented to.

What is the recital? The recital is:

Now, therefore, His Majesty by and with the advice and consent of the Senate and House of Commons of Canada enacts as follows:

Who is "His Majesty"? His Majesty King George VI, if you please. He is the king to whom we owe allegiance. It in fact recites:

Now therefore His Majesty King George VI, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows.

It proceeds to enact a ratification, or purports to enact a ratification, of the abdication of his predecessor, which was already ratified and confirmed only with the assent of his predecessor; it ratifies and enacts that his own succession to the throne is confirmed and made regular, and that the heirs of the body of the late king shall no longer be entitled to assume the office of sovereign of the empire. And that we, the parliament of Canada duly assembled should now pretend to enact such a statute as that with the consent of his present majesty, appears to me to be the most ridiculous suggestion that I have heard in my time.

Mr. MACKENZIE KING: May I ask my hon. friend a question: Did I understand him to say that King George VI succeeded to the throne only with the assent of King Edward VIII and that such assent was essential to King George VI's succession to the throne?

Mr. CAHAN: I say he did succeed to the throne by an act assented to by the former King Edward VIII; there is no doubt about that. And until King Edward VIII had given his assent to the abdication act, King Edward VIII remained king of the United Kingdom of Great Britain and Ireland.

Mr. MACKENZIE KING: That is just the point I want to bring out. Suppose King Edward VIII, instead of waiting after he had signed the instrument of abdication, had left England and gone to the South Pole, and had refused to take any further part in legislation. Does my hon. friend still say that his assent would have been necessary in order to effect a demise of the crown?

Mr. CAHAN: We have one precedent for what the right hon. gentleman has stated; it is clear, and I need not go into it. There was a king, King James II, who did not formally abdicate but who left the kingdom, went abroad and took up his residence there. The parliament of Great Britain enacted a bill known as a declaration of rights; in fact I think there were two declaration of rights dealing with the matter, the final one being dated February 16, 1689, declaring that James had abdicated and that the throne was vacant.

Mr. MACKENZIE KING: Yes, but James did not—

Mr. CAHAN: Wait a moment. In defiance of the law and of the constitution that then existed, he had abandoned the throne, had fled to a foreign country although he had not signed an act of abdication. The parliament which was summoned declared that his acts were equivalent to an abdication and should be regarded as a formal abdication. Parliament declared that the throne was vacant, and proceeded to provide that the succession should be through William and Mary and their heirs failing, to the heirs of the body of Anne, and failing them to the heirs of the body of William.

Mr. MACKENZIE KING: They validated the position of James II's successor.

Mr. CAHAN: I disagree with the words; rather than validating his abdication they practically expelled him from the throne.

Mr. MACKENZIE KING: I said they validated the position of his successor as king.

Mr. CAHAN: That was involved, but I do not quite see how that applies to this case. This succession is established. King George VI is king. The succession remains to the heirs of his body, and the descendants of King Edward VIII are precluded from claiming the throne. There is not one scintilla of legal enactment required to perfect it, yet we are asked or we invite the new king to go through the farcical action of assenting to a Canadian act ratifying the abdication of his brother, his own accession to the throne and certain other results that flow therefrom. What is necessary, rather, is to find some formula whereby the precedents established on this occasion by my right hon. friend may be limited for all time to this particular incident.

Mr. LAPOINTE (Quebec East): Oh, oh.

Mr. CAHAN: Well, it is easy to laugh, but I think it is more serious than that. What have we done? The statute passed in England asserts in its preamble that this dominion—I am not referring to the others—has requested and consented to the enactment of this abdication act, and the imperial statute is based upon that preamble. It was Mark Twain, I think, who wrote a story about a boy who declared, "It is so because my father says it is so, and if my father says it is so it is so even if it ain't so." That is about the position in which we are placed.

Whether the government of Great Britain were fully advised as to the confusing contents of the order in council that was passed, or whether it was simply stated to them by cable that Canada requested and consented to this enactment, I do not know. I do not agree at all with the contention of the right hon. gentleman that whatever correspondence passed should not be brought down by him in parliament, on the ground which he stated, that these were communications between two parties. That may be so, but the communications which are relevant and material were the communications sent by the right hon. gentleman for the purpose of procuring an act of the parliament of Great Britain. They are not exempt from production by reason of the fact—

Mr. MACKENZIE KING: The order in council covers that; it is all set forth there.

Mr. CAHAN: No request and consent is contained in the order in council. All that is contained in the order in council is approval of the imperial parliament making a misstatement in a preamble to an imperial act.

Mr. MACKENZIE KING: The order in council is all there was.

Mr. CAHAN: If that is all there was it is clear that this order in council does not contain an express request and consent. The right hon. gentleman had many precedents available. Time and again this parliament, by joint resolution, has approved of addresses to his majesty requesting and consenting that certain legislation should be enacted applicable to this country. I remember that on two or three occasions—as the Minister of Justice must recall, although I have not the record before me—we passed joint resolutions containing requests and consents of that kind. For instance, I believe we did it in connection with parliament's request for extraterritorial jurisdiction.

Mr. MACKENZIE KING: Is my hon. friend arguing that we should have waited and called parliament?

Mr. CAHAN: I am not saying my right hon. friend should have waited for parliament, but he seems always to have in his mind that he should have followed the precedent set by Australia. I have information before me which would indicate Australia was so well advised of what was impending—I do not know whether they were better advised than my right hon. friend—that on December 4 a special summons was issued for a special session of parliament on December 10.

Mr. MACKENZIE KING: Does my hon. friend think we should have done that?

Mr. CAHAN: The right hon. gentleman says he was so taken up, he had so much to do, that he had not time to consider or to deal with the question.

Mr. MACKENZIE KING: No, he did not say anything of the kind at any time or in any place.

Mr. CAHAN: Well, that is pretty nearly what he said; I cannot bear in mind the absolute details of it. Here is a long statement in which the Prime Minister of Canada states that so far as Canada is concerned parliament has been called to meet on January 14, and that it could not be summoned in special session before definite action was taken by His Majesty which would require the consideration of parliament.

Mr. MACKENZIE KING: Quite true.

Mr. CAHAN: That is true, yes; but there are other considerations. The preamble to the Statute of Westminster is not a binding legal document; it is only a suggestion as to the constitutional procedure which should be adopted in ordinary times when there are no emergencies. But the right hon. gentleman declares there was an emergency. He knows what took place; I do not know. It was perfectly clear that section 4 of the Statute of Westminster did not necessarily refer to a statute such as the Abdication Act which alone was within the competency and jurisdiction of the imperial parliament. Why did he not make it clear that it was impossible to follow the constitutional procedure or convention, recited in the preamble of that statute and that he did not object to the Abdication Act as an emergency measure? Instead of that, as a precedent for all future time, we have an imperial parliament declaring that Canada did request and consent, whereas as a matter of fact one may look within the four corners of the order in council and fail to see any request or consent in accord with the precedents hitherto established in Canada. All we find is that the

governor in council met and approved of an act being submitted to the parliament of the United Kingdom reciting a preamble in which were stated certain alleged facts which were not quite in accordance with the true facts or in accordance with the constitutional practice which had hitherto prevailed in Canada.

I believe this bill is unnecessary; it is futile, and it can have no effect but to cover up a condition which hon. gentlemen opposite appear more or less anxious to conceal. At this date, if hon. members opposite had wished to have the position regularized, so far as it is possible to regularize it, it would have been quite sufficient to have introduced a joint resolution of the House of Commons and the Senate approving of the government acting in an emergency to the extent to which they did, so as to make it clear that its action by order in council formed no general precedent for the future enactment and application to Canada of imperial legislation.

Hon. ERNEST LAPOINTE (Minister of Justice): Mr. Speaker, I confess I have followed with some difficulty the observations of the hon. member for St. Lawrence-St. George (Mr. Cahan). Although he speaks always with a great display of learning, I am not at all sure—and I believe other hon. members must be in the same position—that at the conclusion of his observations the real position he is taking was quite clear.

First of all he contends that the act of the imperial parliament, His Majesty's Declaration of Abdication Act, was all that was necessary, but on the other hand he criticizes the government for having resorted to an order in council expressing to the imperial parliament the request and consent of Canada to the passage of the act, instead of having done so by way of parliamentary enactment. I suggest the two positions are contradictory, and at least one of them should be abandoned by the hon. member. When the Statute of Westminster was enacted fears were expressed in many quarters, both in Canada and outside of it, as to the dangers which might arise in times of crisis because of the lack of unity which would be the result of the enactment. Fortunately events which have taken place have shown those fears to be groundless. There has never been greater unity throughout the British commonwealth than was displayed in the month of December last. After the crisis had passed the London Times used this language:

> The past few days have provided a searching test under which the free association of the British commonwealth has demonstrated a fundamental unity exceeding anything which could have been guaranteed by the most rigid paper constitution.

My hon. friend has referred to the British North America Act, and I agree with him when he says that strictly speaking, from the legal point of view, at the moment the present king came to the throne he became our sovereign. I would invite the attention of the hon. member for Winnipeg North Centre (Mr. Woodsworth) to the fact that the British North America Act is still the constitution of Canada. Section 7 of the Statute of Westminster specially enacts that nothing in that act may have the effect of repealing or amending the British North America Act. By the wording of section 2 of the British North America Act the king of the United Kingdom is our sovereign. The section is as follows:

> 2. The provisions of this act referring to Her Majesty the Queen extend also to the heirs and successors of Her Majesty, kings and queens of the United Kingdom of Great Britain and Ireland.

The crown is interwoven through many of the sections, and so long as the British North America Act is not repealed—it was thought by Canada that it should not be repealed or even amended until there was some consent on the part of the various parties to the agreement of confederation—those sections of the act apply to us in the strictly legal viewpoint.

Mr. BENNETT: The implication is that they might be amended by another act of the imperial parliament, namely, the Statute of Westminster.

Mr. LAPOINTE (Quebec East): Yes, by implication, and to that extent it does apply to Canada.

Mr. BENNETT: Quite so.

Mr. LAPOINTE (Quebec East): I think the hon. member for Winnipeg North Centre was wrong when he said the other day that the Statute of Westminster does not mean anything. If there had been no Statute of Westminster he would not have been able to speak on the law of succession to the throne. That would have been none of the business of the Canadian parliament. My hon. friend would have been deprived of the opportunity of making the eloquent address he made the other day, as well as the one which I am sure he is going to make to-day.

Mr. WOODSWORTH: We can speak about it, but we cannot do anything else.

Mr. LAPOINTE (Quebec East): At any rate my hon. friend is taking advantage of the privilege to speak about it. My hon. friend differs from the hon. member for St. Lawrence-St. George; he runs too fast, while the hon. member for St. Lawrence-St. George is stuck in motionless immobility. He sticks to the British North America Act, and he considers that nothing has been changed by the enactment of the Statute of Westminster. Under the Statute of Westminster anything that concerns the crown is the concern of all the members of the commonwealth. That is the constitutional convention embodied in the preamble. It means something, notwithstanding what the hon. member for St. Lawrence-St. George has said.

Mr. BENNETT: With my hon. friend's permission, may I direct his attention to the fact that it only purports to be a statement of existing constitutional practice, which makes it still stronger.

Mr. LAPOINTE (Quebec East): That makes my argument all the stronger. The Statute of Westminster was enacted following the imperial conference of 1926 which appointed a committee of dominion representatives to consider and study the legislation of the various dominions and of the United Kingdom. The imperial conference of 1930 gave effect to the proposals of the committee of dominion representatives. I should like to direct attention to the report of the conference on the operation of dominion legislation, 1929, paragraphs 56, 59, 60 and 61. These paragraphs deal with the effect of conventions in British constitutional law, and they read:

56. The association of constitutional conventions with law has long been familiar in the history of the British commonwealth; it has been characteristic of political development both in the domestic government of these communities and in their relations with each other; it has permeated both executive and legislative power. It has provided a means of harmonizing relations where a purely legal solution of practical problems was impossible, would have impaired free development, or would have failed to catch the spirit which gives life to institutions. Such conventions take their place among the constitutional principles and doctrines which are in practice regarded as binding and sacred whatever the powers of parliaments may in theory be.

59. As, however, these freely associated members are united by a common allegiance to the crown, it is clear that the laws relating to the succession to the throne and the royal style and titles are matters of equal concern to all.

60. We think that appropriate recognition would be given to this position by means of a convention similar to that which has in recent years controlled the theoretically unfettered powers of the parliament of the United Kingdom to legislate upon these matters. Such a constitutional convention would be in accord with and would not derogate from and is not intended in any way to derogate from the principles stated by the imperial conference of 1926 as underlying the position and mutual relations of the members of the British commonwealth of nations. We therefore recommend that this convention should be formally put on record in the following terms:

Then follows the recommendation. Paragraph 61 follows:

61. We recommend that the statement of principles set out in the three preceding paragraphs be placed on record in the proceedings of the next imperial conference, and that the constitutional convention itself in the form which we have suggested should appear as a formal recital or preamble in the proposed act to be passed by the parliament of the United Kingdom.

This constitutional convention which the hon. member for St. Lawrence-St. George brushes aside with much levity, has been considered to be binding upon all those who have had anything to do with it since the Statute of Westminster was enacted. My hon. friend may say that the procedure adopted by this government was childish, frivolous and ridiculous—I forgive him for those words; but it was not considered so by the law officers of the crown in Canada or by the law officers in the United Kingdom who were jealous in attempting to reconcile this constitutional convention with the legality of the proposed statute. It was not considered so by the law officers in the governments of the other commonwealth nations. My hon. friend stands in splendid isolation as far as this opinion is concerned. I think we can rely upon the view of the gentlemen to whom I have referred.

One part of the imperial statute gave effect to the abdication of the then king and provided for the accession to the throne of the lawful successor and heir to the succession, the Duke of York, but there was also a provision in the statute which was in effect an alteration of the law of succession, as provided for in the Act of Settlement.

Subsection 2 of section 1 of the act bars His Majesty and his issue, if any, and descendants of such issue, from any right of succession to the throne, and provides that section 1 of the Act of Settlement shall be construed accordingly.

Mr. BENNETT: That is merely declaratory if the statute is complete in describing the demise of the crown.

Mr. LAPOINTE (Quebec East): No.

Mr. BENNETT: It must be.

Mr. LAPOINTE (Quebec East): No, because I am afraid that under the Act of Settlement, and it was so considered by the authori-

ties in Great Britain, if the former King Edward happened to contract a marriage and had children by that marriage, his children would have had a serious claim to the succession.

Mr. BENNETT: Not children born after the demise.

Mr. LAPOINTE (Quebec East): It is a debatable question, I agree, but my right hon. friend will agree that in a situation like the one that existed—

Mr. BENNETT: It is sound to make the declaration.

Mr. LAPOINTE (Quebec East): —precautions had to be taken. These were two different things. The recital in the preamble, upon which the hon. member for St. Lawrence-St. George bases his whole contention, mentions that it is according to the present practice under the new constitutional situation that any alteration in the law of succession should be assented to by the parliaments of the dominions. But the only alteration is the one I have just mentioned. I agree with my right hon. friend the leader of the opposition (Mr. Bennett) that the giving effect to the abdication and making the road free for the accession of the next in line, the Duke of York, did not constitute an alteration in the law of succession, not at all.

Mr. WOODSWORTH: Would the minister repeat that? I want to be sure about that.

Mr. LAPOINTE (Quebec East): I say that I agree with the leader of the opposition that giving effect to the abdication of his former majesty by the imperial parliament and clearing the road for the accession of the next in line, the Duke of York, under the statutes as they then existed did not constitute an alteration in the law of succession. What constitutes an alteration in the succession law is, in my opinion, the provision in subsection 2 of section 1 of this bill, which precludes the possible children of His former Majesty Edward VIII from having any claim to the throne of England. That was an alteration, and that was the only part of the law that comes under the recital in the preamble of the Statute of Westminster. We are acting within the four corners of that act by asking parliament to assent to this alteration in the succession act.

My hon. friend from St. Lawrence-St. George states that our assent to that part of the imperial act providing for giving effect to the abdication and the accession of King George VI should have been given by way of parliamentary legislation, not by order in council. The position in that respect has been very well explained both by the Prime Minister and by the leader of the opposition.

The third recital of the Statute of Westminster reads as follows:

> And whereas it is in accord with the established constitutional position that no law hereafter made by the parliament of the United Kingdom shall extend to any of the said dominions as part of the law of that dominion otherwise than at the request and with the consent of that dominion:

This new convention in that recital was adopted for the purpose of reconciling the existence of the legal power in the parliament of the United Kingdom to legislate for the dominions, which legal power undoubtedly exists, with the now established constitutional position, namely, equality of status between the United Kingdom and the dominions. But there is a difference between the convention embodied in recital number three and the convention embodied in recital number two. There it was regarded as a practical consideration affecting the drafting and interpretation of statutes; it was thought desirable that the principle should be expressed in the enacting part of the act, and that gave birth to section 4. Section 4 of the Statute of Westminster reads:

> No act of parliament of the United Kingdom passed after the commencement of this act shall extend, or be deemed to extend, to a dominion as part of the law of that dominion, unless it is expressly declared in that act that that dominion has requested, and consented to, the enactment thereof.

Well, the difference of opinion between the hon. member for St. Lawrence-St. George, and myself, the Prime Minister and the leader of the opposition—and here I disagree with my hon. friend from Winnipeg North Centre—is that the term "dominion" as it is used in the second last line of section 4 of the Statute of Westminster clearly applies to the government, and not to the parliament of the dominion. There are many reasons for that. In other parts of the Westminster act, whenever it was the intention that the parliament of a dominion should act, it was so expressly declared. As was stated yesterday, in the section referring to the Commonwealth of Australia it is specifically provided that:

> The request and consent referred to in section 4 shall mean the request and consent of the parliament and government of the commonwealth.

If section 4 meant the request and consent of the parliament of the dominion, why should the statute, three sections later, refer to the parliament, when it comes to the Common-

wealth of Australia? What the leader of the opposition said yesterday with respect to this matter is quite right. When the resolution to concur in the Statute of Westminster was discussed in the parliament of the commonwealth, Mr. Latham, now Sir J. G. Latham—

Mr. BENNETT: The Chief Justice.

Mr. LAPOINTE (Quebec East): I had the privilege of meeting him at the conference of 1926, and when this matter was under discussion in the parliament of the commonwealth he took the position that the word "dominion" there meant the government. Here is what Mr. Latham said:

> What is meant by "that dominion"? Generally it means, in practice, the executive government of the dominion. I propose to ask the house to amend that provision by requiring that the request and consent shall be made and given by the parliament and by the government. We are asked to do something very remarkable.

Further he says:

> For the word "dominion" I am proposing to insert the words "parliament and government." The object of my amendment is that, instead of the request being from a dominion, it should be from the parliament and the government of a dominion.

I consulted the reports of the debates in the commonwealth and I saw that Mr. Latham's amendment was not agreed to by the then government—the Scullin government—but they accepted another amendment along the same lines, moved by Mr. Lyons; and it is that amendment, then adopted by the parliament of the commonwealth, that has been inserted in the Westminster act, to make a special provision and disposition as far as the Commonwealth of Australia is concerned. And later, when the Westminster bill was before the British House of Commons, Sir James Withers moved:

> That section 4 be amended by inserting, after the second word "that", in line 5, the words "the parliament of". But upon Mr. J. H. Thomas, Secretary for the Dominions, explaining that the clause was drafted in its present form at the request of the dominions themselves, the amendment was negatived.

There is therefore no doubt that the intention was that it should be the government of the dominion.

Mr. CAHAN: Will the hon. gentleman allow me a question?

Mr. LAPOINTE (Quebec East): I have only forty minutes. I did not interrupt my hon. friend.

Mr. CAHAN: It was not in the clause as submitted to the government.

Mr. LAPOINTE (Quebec East): If the Speaker will allow me extra time I shall be glad to answer the question.

Mr. CAHAN: The clauses dealing with Australia and Australia's procedure were not included with the clauses submitted to the Dominion of Canada or the government of Canada at the time. Only those clauses were submitted to the Dominion of Canada which referred to action by the Dominion of Canada, and so, at the time that the clause with reference to Canada was approved, there was no way of comparing the two or noting the difference.

Mr. LAPOINTE (Quebec East): Does not my hon. friend think that as a member of the government at the time, if he thought it should be the parliament instead of the government, he might have moved and tried to get the change that Mr. Latham succeeded in getting in Australia?

Mr. CAHAN: It was perfectly clear without that.

Mr. LAPOINTE (Quebec East): That is not the opinion of everyone else.

Mr. CAHAN: It was the opinion of the conference that dealt with it.

Mr. POULIOT: Is St. Lawrence-St. George dissatisfied with our king?

Mr. LAPOINTE (Quebec East): I agree that the idea underlying the placing of the section as it is with regard to Canada and the other dominions, which did not ask for a special exemption from this provision, was to meet occasions such as the one that confronted us in the month of December—occasions of emergency when it was necessary, in spite of what is being said to the contrary, to act speedily. And the result shows the marvellous elasticity of the British constitution, which always meets emergencies as they arise and deals with matters in such a way that the common sense of statesmen in a time of crisis prevails over the precision of a distinguished lawyer. We were at a time when the situation was a disturbing factor in Canada as well as in Great Britain and in every other nation of the commonwealth, and I believe that even my hon. friend will admit that a prompt decision then was a service rendered to the nation. Indeed, every British citizen, in Canada and elsewhere, was hoping, and expressing the hope in very clear language, that this crisis would come to an end as speedily as possible. Well, then, I repeat, the elasticity of the British constitution worked, and it resulted

in a decision that satisfied everybody in Canada except those who cannot be satisfied with anything the government does. My hon. friend from Winnipeg North Centre, I am afraid, is among those. I must say that his famous telegram, of which he spoke the other day did not raise in Canada the disturbance which was expected. Everybody everywhere expressed the hope that we would deal with this matter immediately and without confusion.

If the constitutional convention, which is enacted in section 4, requiring the assent and request of the dominion, means anything—and it does mean something—it means that everything that is of concern to all the members of the commonwealth should be dealt with by all the members of the commonwealth. If we had to do anything it had to be done immediately or there would have been chaos in Canada. Even with what was done, I was constantly receiving telephone messages, even from distinguished judicial authorities, asking what should be done—whether they should hold court, whether there was still a king, and so on. My hon. friend laughs, but they were not all so sure of their ground as he is, and they were afraid of what might be the outcome of procrastination and further delay. The whole matter was settled by the government interpreting, correctly as I believe, the feelings of the population of Canada; and after all that is what is meant by the Westminster act in providing that the assent of the dominions shall be given. It means the assent of the people of a dominion, and the will of the people was clearly manifested. I claim that it was legal and more than legal; it was sensible. With all due respect to my hon. friend, I must say, when he uses the words "absurd," and "ridiculous," and "frivolous," that we would have done the absurd thing if we had done what he suggests.

My hon. friend ridiculed the argument that if a wrong has been done in any way parliament has the remedy in its hands. That is quite true. There is nothing extraordinary in that contention. Parliament has always the remedy in its hands, and parliament is satisfied with the way in which this matter has been settled. My hon. friend has tried to convince his leader and in my turn I hope to convince him; I hope he will see that we could not have acted otherwise in the circumstances.

The present bill, as I have said, is necessary because of the alteration in the law of succession, which is quite a different thing. Subsection 2 of section 1, according to my view, changes the law of succession by depriving of the throne the possible children and heirs of Edward. In the event of marriage there is, as I said, no retroactivity needed, because there is no child, no marriage even, at the present time.

May I now just sum up my contention on these two points. Upon the abdication of Edward VIII it became necessary because of the attendant circumstances for the parliament of the United Kingdom to enact legislation for two main purposes: first, to make the abdication and the accession of George VI effective; second, to alter the law touching the succession to the throne. In so far as the contemplated legislation would relate to the abdication and succession it would extend at once to the dominion as part of the law of that dominion, and would consequently require the previous request and consent of the dominion to the enactment thereof, in accordance with section 4 of the Statute of Westminster. In so far as the legislation would operate to alter the law touching the succession to the throne, the assent of the dominion parliament is required in accordance with the constitutional convention set out in the second recital to the Statute of Westminster, but such assent could be given within any reasonable time thereafter, as it would not be a condition precedent to the enactment of the legislation but merely a convention limiting its operation in the dominion. With regard to the former the government took the action which was required under section 4, which admittedly does not require the assent of parliament. With regard to the latter the government now asks the assent of parliament to the alteration in the law touching the succession to the throne, so as to give effect to the convention. Inasmuch as such alteration can operate in the future only in the event of there being issue of the Duke of Windsor, it is not necessary that such assent should have any retroactive effect.

I desire, Mr. Speaker, to conclude these remarks by a word or two as to the importance of the throne in the British constitution. It is the bond. When His Majesty's Abdication Act was discussed in the British House of Commons a socialist member, Mr. Stephen, supporting an amendment to the effect that the throne should be done away with and we should have a republic, said—I have his words here—that it was a fallacy to claim that the dominions are bound to the empire by the British throne, that there was no bond between the various parts of the commonwealth embodied in the throne, but that

the only bond was economic necessity, and this would last even if a republic were instituted in the United Kingdom. I am pleased that when the vote was recorded in the British House of Commons the amendment was rejected by a vote of 403 to 5. Mr. Stephen certainly did not interpret correctly the feelings of the dominions. I have been a long time in public life in Canada; I have been in this parliament I am ashamed to say how many years, and I think I know pretty well the sentiments of Canadians as a whole. I have had relations with public men in the other dominions. I desire to say to-day that the British throne is the cement, the bond that unites all of us, and if it should disappear and be replaced by some other form, as suggested by this gentleman, I am afraid that the end of the British Empire would be in sight and that Canada would soon not be part of the British commonwealth of nations. That is the great and the consoling lesson which comes to us as an outcome of all these troubles, which caused concern to many people throughout the commonwealth and even throughout the world. But we are proud to say at the end that the action which has been taken, the sentiments which have been expressed, the feeling of all British citizens throughout the world, have been such that we have demonstrated not only to everyone in our own dominions but to all the world the granite strength of the British constitution enshrined as it is in the British throne.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): This is obviously rather a field day for the constitutional lawyers. Neither by training nor by temperament am I fitted to enter upon the purely legal aspects of this case. But since the vast majority of the people of Canada are not constitutional lawyers perhaps I may be permitted to say a few words with regard to some other aspects of the matter.

I confess that as I have listened to the discussion so far I have not been very greatly enlightened, but indeed somewhat confused. We have had brought before us a great many legal and metaphysical subtleties. Whether the crown is unitary or divisible and multiple I do not quite know. I would say this, that as a Canadian I believe that Canada ought to be able to have something to say with regard to who is to rule over Canada. Whatever that may mean as to the throne being divisible or unitary, let the lawyers argue. Again I confess that even the genial Minister of Justice (Mr. Lapointe) did not altogether clear up my difficulties with regard to the distinction between legal and constitutional. Possibly it is because the Prime Minister (Mr. Mackenzie King) has not had as long and formal training in law as have some of the others who have spoken, that I could not follow his argument, but I thought that he mixed the two on occasions, even when he was trying to make the distinction clear. Again that may be merely because I cannot clearly follow a strictly legal argument.

I feel the same way when we are told that the preamble to the Statute of Westminster does not constitute an operative part of the statute. As I said the other day, it seems to me that whatever may be true ordinarily, in this particular case at least the preamble occupies a very important place, since it lays down a constitutional convention. It would appear to me, with only a layman's outlook, that it ought to have a real place in the statute if we invoke the statute at all, concerning the desirability of which there seems to be some question.

Again, we heard the leader of the opposition (Mr. Bennett) talking about the demise of the crown. I think I had better read his statement. He said:

> We call it in technical parlance his abdication, but we had no precedent for abdications and as to the implications of them, and the statute, in order that there might be no difficulty, in that section declared that there was a demise of the crown. The king was dead.
>
> Mr. Lapointe (Quebec East): Hear, hear; that is right.
>
> Mr. Bennett: The king was dead. And from that there followed—

Mr. LAPOINTE (Quebec East): My "hear, hear" applied to the part concerning the demise of the crown.

Mr. WOODSWORTH: The minister took that interpretation, did he?

Mr. LAPOINTE (Quebec East): It applied to the demise of the crown; that is what I meant.

Mr. WOODSWORTH: The right hon. leader of the opposition interpreted the phrase in the sense that the king was dead, and if a demise of the crown does not mean that I do not know just what it does mean. Well, really, speaking again as a layman, if the king is dead I do not quite see why we should worry so much about barring the king's issue. My hon. friend beside me suggests that he might have a posthumous child, but that does not alter my argument. In

this as in many other instances we are just tied up with mere legal subtleties, forgetting realities altogether.

In the same way the leader of the opposition says that this statute must be construed in a certain way but it is not altered. Well, if that is true and if that kind of interpretation is going to guide us, I am afraid that the ordinary people among us are not going to get a great deal of enlightenment. The Minister of Justice was perhaps rather hard on the hon. member for St. Lawrence-St. George (Mr. Cahan), when he said he was stuck in motionless immobility. I think that was his phrase. I did feel, however, that the hon. member for St. Lawrence-St. George had not advanced a great deal beyond colonial days, and was not giving anything like sufficient importance to the passing of the Statute of Westminster and the position which Canada has occupied ever since the war. I did agree very heartily with him, however, that statutory authority is necessary if orders in council are to have validity. Further it seemed to me that he was quite correct when he said that this bill and the discussions on it were very largely farcical. After listening to hon. members on both sides of the house who have spoken so far, I am inclined to believe that the statement I made on Friday last still stands.

In the first place let me say that there has been no opportunity for us to move that the correspondence should be brought down. The Prime Minister has not absolutely refused to do this, as my motion has not come before the house, but the right hon. gentleman intimated that he thought to do so would be very undesirable. I would point out that the Prime Minister has himself quoted certain documents and referred to others. According to the rules of the house I believe these should be laid upon the table. Let me say further that the bill which is before us, touching the succession to the throne, really cannot be discussed intelligently without the house being in possession of all the facts. I think that is clear. We are asked to pass an important piece of legislation supplementing, if you like, the legislation passed in Great Britain; validating, if that is the correct word to use, the order in council passed a few weeks ago; yet we do not have the facts of the case fully before us. Surely these facts cannot be said to be in any real sense confidential. It is true that they are of a somewhat intimate nature, and I have no desire whatever to create any further scandal than already has been created, but at the same time this house is not able to say in advance whether the government was justified in the position it took.

It is all very well for the government to come now and tell us that from the information it had at its disposal it was quite justified. I do not think that is quite good enough. I do not think the Prime Minister himself is following the best traditions of this house when he asks us to take his own, unsupported word with regard to what has taken place. If the leader of the opposition was correct in the statement he made yesterday, undoubtedly in any case the proceedings of this house lack all reality. He said:

> So far as the government of the day is concerned, it staked its life upon the action which it took, and under our system of constitutional government, with the administration commanding as it does a majority in the House of Commons, the question becomes nothing but a matter of recording the will of that majority upon the records of this house.

If the government is so sure of its majority; if parliament has fallen so low that the government can absolutely count upon the backing of every one of its members, I say it is not a very good outlook for democracy. The Minister of Justice has referred to the confusion that might have arisen if the cabinet had not taken action. That is nothing to the confusion that might arise if this house showed some independence and did not endorse what has been done by the government.

In spite of his large majority the Prime Minister seems very anxious to obtain any support he can get. Yesterday he very gladly accepted the backing offered by the leader of the opposition, though technically the position of the leader of the opposition differed very widely from the position the Prime Minister himself holds. The leader of the opposition said that the statute dealing with the succession had not been altered. I do not know whether the Minister of Justice agrees with that, but I know that a short time ago the Prime Minister did not agree. That is what he said in his statement to the public on December 10. First he quoted a clause from the Statute of Westminster:

> —any alteration in the law touching the succession to the throne or the royal style and titles shall hereafter require the assent as well of the parliaments of all the dominions as of the parliament of the United Kingdom.

After that quotation he said:

> Questions arise as to the procedure required to carry out this provision of the Statute of Westminster, which were not contemplated when it was drawn and enacted—

Then he makes this explicit statement:

The action involved in giving effect to His Majesty's instrument of abdication constitutes such an alteration.

I do not think the Minister of Justice admits that to-day, but that is what the Prime Minister said in his message to the public. I repeat his words:

The action involved in giving effect to His Majesty's instrument of abdication constitutes such an alteration.

To-day the Minister of Justice is trying to make us believe that all we in this parliament have to sanction is the question of the succession, as it may affect any possible children of the king. However, at the time he gave the public interview the Prime Minister was clearly of the impression that the very fact that one king took the place of another involved an alteration in the succession. Following that the Prime Minister said that it was necessary for parliament "to take appropriate action to give its assent to the alteration in the succession." Evidently he had in mind the alteration in the succession caused by the abdication and by the accession of King George VI.

I should like to learn the exact meaning of the word "request." In his statement to the public the Prime Minister said this:

The use of these words, "request and consent," does not of course refer to the initiation of any part of the proceedings other than the inclusion of Canada in the contemplated legislation. They embody the safeguarding words expressly provided in the Statute of Westminster.

That is rather curious. Let me read what appears in schedule two of the act of the parliament of the United Kingdom:

And whereas, following upon the communication to his dominions of His Majesty's said declaration and desire, the Dominion of Canada pursuant to the provisions of section four of the Statute of Westminster, 1931, has requested and consented to the enactment of this act, and the Commonwealth of Australia, the Dominion of New Zealand and the Union of South Africa have assented thereto.

I should like to know why it is sufficient for the Commonwealth of Australia, the Dominion of New Zealand and the Union of South Africa to consent, while it seems to be necessary for the Dominion of Canada to "request" as well as to "consent." I can scarcely believe that in a document of so great importance the words could be loosely used; they must have some real meaning. In view of the statement the Prime Minister made to the public a few weeks ago, and in view of his evident desire to escape any great responsibility in the circumstances, I should like to know what "request" really means. That particular word was not touched upon by the Minister of Justice.

I hold in my hand a document I received a few days ago, copies of which I believe were sent to the Prime Minister and the leader of the opposition. It comes from Doctor W. P. M. Kennedy and is an advance copy of an editorial headed "Canada and the Abdication Act," which is to appear in the University of Toronto Law Journal. On this technical point I venture to quote a footnote to one of the paragraphs:

It will be noticed that Canada alone invoked section 4 and apparently that Canada as distinct from South Africa and of course as distinct from Australia and New Zealand (to which the statute does not apply), "requested" the abdication act as well as assented to it.

In the text of the article Doctor Kennedy states:

It is, however, interesting to note that for Australia, if and when that statute operates for Australia, the statute contemplates, on special Australian request, that the "request and consent" necessary under section 4 will mean those "of the parliament and government of Australia." Does the absence of any similar rule for Canada in section 4 mean in proper circumstances, such as a change in the British North America Act, that "request and consent" may come through Canadian order in council?

I suggest that is a question which should be answered to-day. May I now return to the imperial enactment, and point out that in it there is no mention whatever of the Irish Free State. In the Statute of Westminster the word "dominions" is given this meaning:

1. In this act the expression "dominion" means any of the following dominions, that is to say, the Dominion of Canada, the Commonwealth of Australia, the Dominion of New Zealand, the Union of South Africa, the Irish Free State and Newfoundland.

That is the meaning of it. And, if I may be permitted to read it again, the preamble of the Statute of Westminster states:

. . . that any alteration in the law touching the succession to the throne or the royal style and titles shall hereafter require the assent as well of the parliaments of all the dominions as of the parliament of the United Kingdom.

So far as the Irish Free State is concerned we have had no such assent.

Mr. LAPOINTE (Quebec East): Oh, yes.

Mr. WOODSWORTH: Oh, no. The Irish Free State did not consent to the abdication act; it passed one of its own acts. That is different. The British act applies everywhere, and the Irish Free State is not exempt. Sec-

tion 4 is very specific, and in order that the situation may be clear in our minds I shall read it again:

> No act of parliament of the United Kingdom passed after the commencement of this act shall extend, or be deemed to extend, to a dominion as part of the law of that dominion, unless it is expressly declared in that act that that dominion has requested, and consented to, the enactment thereof.

The Irish Free State did not do so. Just what the situation is in Ireland with regard to the king, I do not know. It is a question I would leave to the constitutional lawyers.

Mr. LAPOINTE (Quebec East): The Irish Free State have a constitution of their own; the British North America Act does not apply to Ireland.

Mr. WOODSWORTH: I am not talking about their act but about an Imperial act. The minister must not try to sidetrack me in that way. Section 4 is very explicit, and I suggest that the meaning of the word "dominion" is no less clear.

I do not intend to go into the complicated question of all that took place, or the alternative the government may have had. I know there are difficulties, no matter which way one looks at the matter. I would point out, however, that for several months there has been an extended series of articles appearing in the United States press. Undoubtedly expressions of opinion from the United States had an immense effect upon Mr. Baldwin, because he stated that he had received a stream of letters from the United States and Canada. I should like to know from whom those Canadian letters came. They could not very well have come from private individuals, because such letters would not have had such great influence upon Mr. Baldwin. We do not yet know who wrote officially from this country. We do not know that; we have not been told. Yet apparently they had a great deal of influence upon Mr. Baldwin.

Further, in the United Kingdom a certain measure of censorship was imposed and United States journals were not allowed to circulate freely. Why? That question has never been satisfactorily answered. Since the affair has been over we have had a great variety of explanations circulated in the United Kingdom, but we in this country have no means of judging just how true some of those assertions may be. We would be able to judge a little more correctly if we had the papers before us. Certain articles have been given wide circulation in Canada. One paper, published in Ottawa, suggested the other day, I think rightly, that these are the things which tend to undermine the monarchy. I would go further and say that they tend to undermine confidence in our democratic institutions.

Personally I have never been convinced that the affair of Mrs. Simpson was a sufficient motive for the action taken by Mr. Baldwin. I have never been able to convince myself of that. If my suspicion is correct, I cannot feel very happy that our Prime Minister (Mr. Mackenzie King) and our government should have fallen in line with the action taken by Mr. Baldwin and his government. So far we have had no possible way of knowing just where the truth lies.

Mr. BENNETT: Does the hon. gentleman suggest that the government of this country could prevent the king from resigning?

Mr. WOODSWORTH: No, but I do say that because of Mr. Baldwin's stand—apparently that stand was endorsed by the Prime Minister of this country—the king was put into a position where he was almost forced to go.

Some hon. MEMBERS: No.

Mr. WOODSWORTH: Again this is a matter upon which, without the documents being before us, we can have only the very vaguest of ideas.

Mr. BENNETT: We have his word for it.

Mr. WOODSWORTH: We have his word for it!

An hon. MEMBER: That should be enough.

Mr. WOODSWORTH: An hon. member suggests that that should be enough, but anyone who knows what goes on during a long series of negotiations realizes how much such statements may mean if they are taken without regard to the circumstances.

Mr. MACKENZIE KING: I thought I had made clear to my hon. friend and other hon. members that the first communication this government had from Mr. Baldwin on this matter was after the third interview Mr. Baldwin had had with His Majesty the King. The first interview was at Mr. Baldwin's instance; the next two interviews were held at the instance of His Majesty. It was only after the second of these later interviews that Mr. Baldwin communicated with me asking me my opinion, in order that he might be guided in his consideration of the matter with which he had to deal. Surely this will make clear how much there has been in the way of correspondence between the government of Canada and the government of Great Britain.

Mr. WOODSWORTH: It is probably better then that we did not get into this game earlier.

An hon. MEMBER: Game?

Mr. WOODSWORTH: Yes; that is what I call it. It has been very decidedly a game and unless the papers are brought down we cannot tell how far we are involved. May I repeat, we have the right in this parliament, when discussing a matter of this kind, to have all the relevant facts before us. As I said the other day, I am not so much concerned with who occupies the throne as I am with what part Canada played in the abdication. It seems to me that the decision on what is undoubtedly a most important matter ought not to have been left entirely in the hands of the government. They say, "What could we do?" Well, they could have called parliament. That might have led to a little confusion, but in actual practice I do not think it would have been very great. They might have given a provisional assent. If parliament has any worth while part to play, any assent should have been provisional. That was not done.

I am afraid that if a government can take such action without protest, it will be able to follow the same procedure in connection with other matters. If I have a correct understanding of what was done, the statute itself was very largely set aside. As I say, I do not understand all the implications of the distinction between a statute and a constitutional convention, but if either a statute or a constitutional convention was set aside, it seems to me that it might be very easy for a government in the future to proceed along much the same lines in a great matter such as war or some other national emergency. I regret that with such stalwart defenders of parliamentary rights as the Prime Minister and the Minister of Justice in the house, it should devolve upon a humble private member to attempt to stand up for the rights of parliament. I feel sure that had the leader of the opposition been Prime Minister and taken the action which was taken, and which he says he himself would have taken, the Prime Minister and the Minister of Justice would be doing what I am doing to-day, only more forcibly and eloquently.

Mr. JEAN-FRANÇOIS POULIOT (Témiscouata): Mr. Speaker, I commend the right hon. Prime Minister (Mr. Mackenzie King) and the right hon. leader of the opposition (Mr. Bennett) for the stand which they have taken in this matter. The other day on the train I met a United States citizen who told me how marvellous he thought the British countries were when a king could go and another one come in and the wheels of government continue to turn smoothly. He told me that he thought that was something which could not be done in many countries of the world.

The hon. member for Winnipeg North Centre (Mr. Woodsworth) has said that he does not understand the distinction between constitutional and legal matters. The best explanation of that lack of understanding is that there is no distinction. Probably he never heard about constitutional law. We have to adopt legislation which has been passed at Westminster ratifying the abdication of the former king. I agree with those who say that that abdication had no legal effect until the king had sanctioned the bill which was passed by parliament. The Prime Minister has pointed out that the king had a perfect right to abdicate. That abdication was made valid by his sanction of the bill, his last act as King of the United Kingdom.

I do not intend to speak at any great length on this matter, but I should like, sir, to direct your attention to one point. Every member of this house has taken an oath of allegiance to the new king. As I understand it, this matter could have been discussed before, but the fact is that we are now confronted with a fait accompli. King George VI is our king, and no one can change that. Even though the Statute of Westminster did not exist, there would still be the same king. We have taken an oath of allegiance to him; therefore why say any more about it? The hon. member for Winnipeg North Centre has said that all hon. members and all the people throughout the country are not constitutional lawyers. I admit that, but we are all British subjects, and we must act accordingly and pass this bill as soon as possible without talking any more about it.

Mr. SPEAKER: Is the house ready for the question?

Mr. BENNETT: Mr. Speaker, I would not have had anything to say on this, but in view of what has been said this afternoon I think I should make a few observations. It is now almost six o'clock.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Right Hon. R. B. BENNETT (Leader of the Opposition): But for the observations that were made during the progress of the

debate this afternoon I should not have intervened at this time, but I think it well that certain matters, the accuracy of which can be determined, should be disposed of by reference to the record, and that there should be no misapprehension of the conditions under which the action taken by the government was taken—not because I am in any sense endeavouring to support the government, for it is quite capable of doing that itself, but because this is a matter which concerns not governments but parliament and the people of this country. From that angle I speak, not as the leader of a party nor yet in defence of the action taken by the government, but rather as a citizen of this country who is interested in seeing that there should not be placed upon the record statements which are wholly inaccurate with respect to what occurred prior to the action that was taken. For it would be indeed a strange anomaly if we in this parliament should, even by our silence, suggest censure of those who are members of another parliament; and I think we would resent their being critical of our actions when they had not before them the facts upon which we had proceeded. The suggestion that the Prime Minister of Great Britain acted in any other than a becoming manner is one which, I think, should not be heard in this parliament. I may be wrong in that view, but that is my present conviction with respect to the matter.

That there is room for acute differences of opinion with respect to some phases of this matter is, of course, beyond question. The learned argument to which we listened this afternoon with so much interest, presented by the distinguished constitutionalist who represents St. Lawrence-St. George (Mr. Cahan), and the view in the opposite sense expressed by the Minister of Justice (Mr. Lapointe) indicate how differences of opinion may arise with respect to matters of this kind. But, after all, there are certain fundamental matters which, I think, we must consider.

First, it was a condition and not a theory that confronted us when this situation arose; and it is of no use to assume that the British people—and when I use that term I include Canadians as well—are concerned about theories when the application of common sense to conditions will bring about a solution that is at once in the interests of the country and in harmony with a reasonable interpretation of the statutes under which we operate.

In the first place, without any action at all on our part, our present king became our sovereign. The constitution of this country is partly written and partly unwritten. It is written in so far as the British North America Act is concerned, but one of the sections of that act provides that certain rights, privileges and prerogatives which appertain and belong to sovereignty may be exercised and do belong as of right to the representative of His Majesty in this country. About that I shall say something further in a moment. Our written constitution provides that the crown, in which is vested the executive power of the country, shall as of right devolve upon the successors of Her late Majesty, Queen Victoria. When she departed this life her son ruled in her stead and was king of Canada because of the provisions of the British North America Act, and when his son succeeded to the throne there was no necessity of legislation being enacted; for by virtue of his birth, he being the eldest surviving son of the deceased sovereign, he became King Emperor of the British Empire. Likewise, when the late King George V of happy memory departed this life, his son, the Prince of Wales, succeeded to the throne; and by his accession, there being no time when the throne is vacant, he became King Emperor of the British Empire. Therefore, so far as we were concerned, no action on our part was required and none was taken except the proclamation to indicate to all the people of our country that a change had come about in the sovereignty. So far as we were concerned, I submit, the former King Edward VIII succeeded to the throne by due process of law under the provisions of the Act of Settlement of 1700 and the provisions of our written constitution, namely, the British North America Act. That was the position at that moment. When he indicated that he desired to abdicate, I think there can be no question as to the soundness of the observations made by the Prime Minister (Mr. Mackenzie King) that it was his right to abdicate if he saw fit to lay down the burden. But the mere act of signing the abdication did not in itself complete his abdication. I think that is all it is necessary to say on that point, for it will be recalled that when he did transmit to parliament, through his prime minister, the instrument of abdication, the last paragraph of it read:

> I am most anxious that there should be no delay of any kind in giving effect to the instrument which I have executed and that all necessary steps should be taken immediately to secure that my lawful successor, my brother, His Royal Highness the Duke of York, should ascend the throne.

I submit that that single paragraph is a complete epitome of the whole situation,

namely, an instrument of abdication executed by the sovereign, which is the resignation of an office, if we were to use the terminology that would apply in the case of a private individual relinquishing an office. Under the provisions of our law, for instance, with respect to the resignation of members, with respect to resignations from governments, the acceptance of them is what constitutes the completion of the transaction. So with respect to the instrument of abdication which was executed by the sovereign; it did not become effective until such time, as indicated in the last paragraph of his letter to parliament, as such further steps were taken as might be necessary to make the abdication effective.

In the Act of Settlement there are no provisions with respect to abdications. Without going into the matter in detail, may I say that what happened in 1688 has been variously estimated—and I use the word "variously" deliberately—by historians in accordance with their general attitude of mind as they approached the question. Was there an abdication or did the conduct constitute an abdication? These were questions which at that time were much canvassed and discussed. Sufficient for our purpose it is to say that there was an abdication in law; that is, the throne became vacant by reason of the action taken by the then holder of the crown. That constituted an abdication; and in 1688-89 legislation was passed with respect to the devolution of the crown and as to the successor of James II. There being, therefore, no law applicable to the subject it became necessary that action should be taken by parliament to accept this instrument of abdication as a final and irrevocable relinquishment of the king-emperorship by the then holder thereof. The act of parliament was not necessary for the purpose of providing for the devolution of the crown in the event of there being a vacancy. It was only necessary, if at all, as the minister pointed out this afternoon, for another purpose entirely. The result was that parliament, urged to prompt action on December 10, took the action with which we are now all familiar and which I shall not take the time to refer to again. The statute has been read and re-read. But in my judgment the essential thing to remember is that the statute, by what we sometimes refer to as a legal fiction, provided for the abdication of the sovereign, namely, by a declaration that that instrument of abdication constituted a vacancy of the throne and amounted to the demise of the sovereign. It so declares in terms. In other words, as I said yesterday, the king was dead.

Mr. MACKENZIE KING: May I interrupt?

Mr. BENNETT: Yes.

Mr. MACKENZIE KING: Can there be such a thing as a vacancy of the throne, and is it true that the king dies? Is not the maxim "the king never dies," and is it not the fact that the throne remains, the crown remains? There may be a demise of the crown but the crown remains. It is merely transferred.

Mr. BENNETT: The right hon. gentleman perhaps was not in his seat at the moment when I spoke about that before. The theory of our law is, "The king is dead; long live the king." That is the expression.

Mr. MACKENZIE KING: That is what we say when the royal person holding the position of king dies and another royal person succeeds to the throne. But is the theory not that the king never dies?

Mr. BENNETT: No. The king himself of course dies but the kingship continues. That is the real distinction. The hon. member for Winnipeg North Centre (Mr. Woodsworth) was fearful that I should indulge in hair-splitting arguments and I am endeavouring to free what I have to say from any suggestion of that sort. I desire to make it clear that parliament, dealing for the second time with the question of the abdication of a ruling sovereign, had to devise ways and means of dealing with it. They could not and did not say: We accept the abdication, but they said: The action taken, followed by our acceptance of it in the manner we have provided, namely, by declaring that this constitutes a demise of the crown, enables the incidents that follow the death of a sovereign immediately to ensue. And the very moment that the reigning sovereign affixed his signature, gave his approval, to that statute, he as king was dead. He still survived, and may long live, I hope, as an individual, but as king he was dead. He had ceased to occupy the office. There had been a demise of the crown.

The demise of the crown brought about an immediate result. That is what I take it the right hon. Prime Minister means. The immediate result was that the person entitled by law under the Act of Settlement to do so at once succeeded to the crown. The old practice was—it has a very interesting history, but I shall not burden the house with history—that a few members, as many members as possible of the old sovereign's privy council, together with as many gentlemen of quality

as could be assembled, met together, and at once, in order that no one else might take such action, made a declaration that so and so "is our lawful sovereign lord and king and is of right entitled to the throne and crown." That declaration was made, it will be recalled, some few hours—or I think a Sunday intervened, to be exact—after this statute had become law. Now the operation of law had nothing to do with the act of the parties. By the operation of law our present sovereign became our king under the Act of Settlement. There was no change in the succession there was merely an acceptance of it. What is more, the statute itself so declares. The important thing to keep in mind is that parliament's action was limited to declaring that in consequence of the instrument which had been executed by the then king and which after much opposition on the part of the government and the people was accepted, because the king would not withdraw it—he maintained that he could not; it was irrevocable; he would not change his mind—the king was dead. The individual still lives. And on the death of that king his successor was, as pointed out by the former king in his letter to the parliament of Great Britain, his brother the Duke of York. The former king's own language being very clear on that point, although it is not binding at all, indicates that he had a clear appreciation of what the situation was. He said that all necessary steps should be taken immediately "to secure that my lawful successor, my brother the Duke of York, should ascend the throne."

Mr. MACKENZIE KING: I do not like to interrupt my right hon. friend, but I cannot see where he finds ground for his statement that parliament declared that the king was dead. Parliament may have declared a demise of the crown, but a demise of the crown is not the same thing as a decease of the sovereign.

Mr. BENNETT: Exactly the same. It may not serve any useful purpose to discuss these matters technically, as was said this afternoon; my effort is to avoid that, but the language of the statute is this:

> Immediately upon the royal assent being signified to this act the instrument of abdication executed by His present Majesty on the tenth day of December, 1936, set out in the schedule to this act, shall have effect, and thereupon His Majesty shall cease to be king and there shall be a demise of the crown, and accordingly the member of the royal family then next in succession to the throne shall succeed thereto and to all the rights, privileges and dignities thereunto belonging.

[Mr. Bennett.]

There cannot be anything clearer than that as indicating that as far as the king himself was concerned he was dead. The moment that document which he executed was accepted by parliament, he was dead in his kingship, in the same way as on the resignation of a prime minister he ceases to be prime minister the moment his resignation is accepted. He is still the individual, but the office he held has passed to another. So the king no longer was king. His office had passed from him because parliament had accepted his renunciation of the throne, which technically we call the acceptance of his abdication. I think there is no difficulty with respect to that. But the discussion indicates what chances there are for different views with respect to matters of this kind.

The only question then that remains for consideration is the simple single one as to what action should be taken by the Dominion of Canada in order to meet the situation. I humbly submit that there was no change in the succession. I shall not argue that, because the Minister of Justice holds the other view. But certainly the Act of Settlement has not been modified or changed. Inasmuch as it would be impossible either that one who had ceased legally to occupy the throne, and who might thereafter have issue, should sit on the throne himself, or that his issue should, the action that was taken by the parliament at Westminster was action which we lawyers sometimes speak of as being taken "out of abundant precaution," as the minister said this afternoon. I shall not use the Latin phrase which is used to express it. But what happended was that parliament, for the reasons which I pointed out yesterday and shall not repeat, took steps to make it abundantly clear that the implication of law should also be fortified and strengthened by a definite and deliberate statement in a statute of the realm. That is the position.

Now why was it necessary as far as we were concerned to take any action?

Mr. MACKENZIE KING: If I may be permitted to interrupt again—I hope my right hon. friend will not feel that I am interrupting to embarrass him in any way—

Mr. BENNETT: Not a bit.

Mr. MACKENZIE KING: —but simply to bring out the truth of the matter, which he as well as all of us are interested in bringing out. Does my right hon. friend disagree with

the Prime Minister of England, who said in the House of Commons at Westminster:

It is necessary to have an act of parliament because the succession to the throne is governed by the Act of Settlement, which makes no provision for an abdication or for a succession consequent upon an abdication. It is also necessary expressly to amend that act by eliminating His Majesty, and his issue and descendants from the succession.

Mr. BENNETT: I have already dealt with the first question, Mr. Speaker, and answered it twice. So far as the second question is concerned, I merely say that if the logic of the statute is to be accepted, namely that there was a demise of the crown, it follows that, the sovereign being unmarried, he had lost his right and that any issue he might have had also lost their right. But out of a desire to render it clear beyond peradventure, so that there should be no doubt in the future and that no pretender could set up a claim, parliament enacted the statute which it did. For had parliament been dealing with the matter in the sense in which it has been suggested it should, it would have amended the Act of Settlement. It did not amend the Act of Settlement; it makes it perfectly clear that the Act of Settlement is not amended. On the contrary you are merely to place a construction upon that act providing for a demise of the crown where previously no such provision existed. That is the language of the statute itself.

However, Mr. Speaker, the important matter which we have to consider is what action the Dominion of Canada should have taken at that moment. I said the other day, and I repeat, that I entirely approve the action taken by the government and that I would have taken the same action had I been in the position of the Prime Minister. I would not have taken it in the same way. I thought it undesirable to go further into that matter the other day, and but for this debate I would not have discussed the matter at all. I would not have taken the action in the manner in which it was taken by the government. I think on investigation and inquiry it will be found that it was not necessary to take the action by order in council. I do not think order in council was the appropriate method by which it should have been done. I shall not do more than say that, because I realize that there is much force in what was said by the hon. member for Winnipeg North Centre, that under different circumstances it would have provoked acrimonious discussion and very great opposition had a government of which I was head taken a step such as that. I only say that on investigation I think, sir, it will be found that the method employed is open to grave censure. I shall leave the matter at that, because I do not intend to traverse a field that can have no fruitful result; for by the method employed the necessary action was taken. That is all that need be said.

Mr. MACKENZIE KING: Would my right hon. friend mind telling the house what method he would have adopted?

Mr. BENNETT: He has not the slightest intention of doing so. He is going a very long way now in supporting the view which he thinks was necessary in the interests of the country as well as the unity of the empire, in supporting the action taken by the government in bringing about the result it did, but the methods employed were, I believe, not methods that were sound, constitutionally or otherwise. I do not think there is any answer to certain statements which were made this afternoon by the hon. member for St. Lawrence-St. George as to the methods employed, but that need not be discussed at the moment. It is sufficient for my purpose to say that the action taken by the government made it abundantly clear that the government desired to associate itself with the British government, and requested that the government at Westminster should indeed speak for us as well as for themselves as far as the operation of the statute was concerned; and they did so.

Of course, sir, differences of time made many difficulties. The position of the government was extremely difficult. The bill was introduced on the afternoon of December 10, and of course in this country it was not the same hour as it was at Westminster. But the action taken by the government brought about the appropriate result. That is the important thing to remember, and I agree with what has been said here so frequently during the course of the debate, that not only was the welfare of the Canadian people to be considered, but we had to bear in mind our own position with respect to the future if we did not take that action. Here we would be in the position so appropriately pointed out this afternoon by the Minister of Justice. Here we would be with a king, under the British North America Act, he being king of this country as much as he was king of any part of his realm, he being a successor to Queen Victoria within the terms of that statute. That is clear. If we had called parliament it is perfectly apparent that by so doing we would have placed ourselves in

an anomalous position, and I think one might say that a somewhat harsher word would better describe our position.

I happened to be far removed from this section of the country at that particular time, and it is not unfair to say that many people in the world were waiting to see civil disturbances within the British Empire. It is not unfair to say that there were many who believed that this organization of which we speak as the British commonwealth of nations could not survive the strain. It was, therefore, of the utmost importance—and I associate myself with what was said by the Prime Minister in that regard—that there should be no apparent weakening of this great institution which we have built up through the ages; that its power to function should be apparent to all the world, and that it should function without question by the voice of a united people speaking for every part of the great self-governing dominions.

Reference has been made to conditions in Ireland, but it will be found on investigation that the ultimate action taken by the parliament of the Irish Free State was not at variance with the general principle that has been asserted in this house. Therefore I think it is quite appropriate that we should enact this legislation in view of the fact that we desire also to remove any possible doubt that may exist, if there is any—and in my judgment there would be very little—as to the condition that might arise in the event of His late Majesty marrying and having issue. Inasmuch as that contingency is one which always must be contemplated, the action taken out of abundant precaution will make it quite clear that in no part of the king's dominions, whether it be in that part of it over which the parliament of Great Britain has complete jurisdiction or those parts over which that parliament has divested itself of jurisdiction, can there be any possibility of an assertion on the part either of the late king or of his descendants of a claim to the throne of his fathers.

I think that is about all that can be usefully said in that regard. But there was one observation made by the hon. member for Winnipeg North Centre that, I believe, should not go unchallenged. It had to do with the action which was taken by the Canadian government, and to which I referred a few moments ago. As I have said, I have no intention of defending the action taken by the government. That is not my duty; hon. gentlemen opposite are quite well able to do it themselves. But in his speech in the British House of Commons Mr. Baldwin did not use the language which my hon. friend attributed to him. These were his words:

> There were two things that disquieted me at that moment. There was coming to my office a vast volume of correspondence, mainly at that time from British subjects and American citizens of British origin in the United States of America, from some of the dominions, and from this country, all expressng perturbation and uneasiness at what was then appearing in the American press.

That is a vastly different matter from assuming that Mr. Baldwin said he was receiving a great deal of correspondence from the Dominion of Canada. What he said was that he was receiving a large volume of correspondence from British subjects and American citizens of British origin in the United States, and from some of the dominions. He did not say it was Canada, and I think it is appropriate to point that out, for the inference, if any, to be drawn from my distinguished friend's observations would be that there might be some people who were acting in an official capacity—and he used the word "official"—or quasi official, who were sending letters with respect to this matter to the Prime Minister of England. He made such reference in his speech and I am quoting his words.

There is just one other point made by the hon. member which I think should be cleared up and which is as to whether appropriate action was taken to give His late Majesty the most ample opportunity to consider what course he would pursue. All that one need do is to look at the letter he sent to parliament, the first sentence of which reads in this way:

> After long and anxious consideration I have determined to renounce the throne to which I succeeded on the death of my father, and I am now communicating this my final and irrevocable decision. Realizing as I do the gravity of this step, I can only hope that I shall have the understanding of my people in the decision I have taken and the reasons which have led me to take it.

Had it ended there, the answer to the hon. member would be almost complete. But it did not end there, for when that letter was received, instead of at once acting upon it or going to parliament and making it clear that this was an irrevocable decision, the government passed a minute which they then asked the Prime Minister to communicate to His Majesty. They passed a very careful minute in order that there might be no misunderstanding with respect to the matter. That minute impressed upon

the then sovereign the desirability of considering his position, in order that there might be no question as to his having the fullest possible opportunity of considering what action should be taken. His answer is a matter of record. He said perfectly clearly that he regretted he could not change his mind. The letter that Mr. Baldwin sent to His late Majesty was in these words:

Mr. Baldwin, with his humble duty to the king.

This morning Mr. Baldwin reported to the cabinet his interview with Your Majesty yesterday, and informed his colleagues that Your Majesty then communicated to him informally your firm and definite intention to renounce the throne.

The cabinet received this statement of Your Majesty's intention with profound regret, and wished Mr. Baldwin to convey to Your Majesty immediately the unanimous feeling of Your Majesty's servants.

Ministers are reluctant to believe that Your Majesty's resolve is irrevocable, and still venture to hope that before Your Majesty pronounces any formal decision Your Majesty may be pleased to reconsider an intention which must so deeply distress and so vitally affect all Your Majesty's subjects.

Mr. Baldwin is at once communicating with the dominion Prime Ministers for the purpose of letting them know that Your Majesty has now made to him the informal intimation of Your Majesty's intention.

Then Mr. Baldwin stated that the following reply had been received from His Majesty the night before:

The king has received the Prime Minister's letter of the 9th December, 1936, informing him of the views of the cabinet.

His Majesty has given the matter his further consideration, but regrets that he is unable to alter his decision.

There the matter ends, and I think it cannot possibly be suggested that the government here or the government in Great Britain did in any sense endeavour either to expedite or to hurry forward the answer His Majesty would give as to the course of action he should pursue, but left to his sole and unfettered discretion the determination of the issue he had himself raised.

For, as the Prime Minister pointed out, although Mr. Baldwin was very careful to indicate that he had intended to ask for audience with the king, before he had done so on either of the two occasions when he saw him after the matter was first broached the king had anticipated his action by asking Mr. Baldwin to come to see him.

I mention these points because I am sure the hon. member would not desire that there should be left by innuendo or veiled suggestion in the minds of the Canadian people the thought that either in Great Britain or in this dominion there were any who were endeavouring to expedite the action of His late Majesty the king in departing from the throne of his fathers. I think that is abundantly clear from the extracts I have read. In view of the differences of opinion that have been apparent among lawyers and others, I believe we can proceed to enact this legislation out of abundant precaution—to use the language of the books—in order that there may be no question as to indicating what our course should be, and so that there may be a direct statement upon the statute books of this country.

The action taken by the parliament at Westminster in pursuance of the action which was taken by the government here was such as was calculated to be in the interest not only of the Canadian people as a whole and individually, but of the world at large, particularly all those parts of it comprised within the area which we call the British Empire. For the world itself, as well as the empire, was concerned in the preservation of peace and the maintenance of law and order over that great area of the world's surface.

One other word might be added, and it is this: Not only was such action desirable and necessary in the interests of the people of the British Empire and of the world at large, but it was necessary that it should be taken without delay. For, if the foremost dominion were to delay, then the effect that many expected to follow would indeed have followed. I believe there is no doubt with respect to that. I can only commend the government for taking the action it did take, regretting only that it was taken in the manner in which it was. That, however, is another matter altogether, and need not enter into this discussion. The sure and certain result of delayed action would have been inimical to the peace, happiness and prosperity of the Canadian people; of that I think there is no doubt, even as in other parts of the king's dominions those responsible for the administration felt that similar results would follow if assent were not given to the legislation that was enacted.

I have spoken at greater length than I had intended, because certain questions which were asked had the effect of diverting my attention from the bare statement of facts I had intended to make. I desire to repeat, however, that in a great crisis, by prompt action we have avoided uncertainty and disquietude. We have given to the world, including the British dominions and Great Britain, an example of the operation of a constitution partly rigid and written, and partly the development of constitutional

practice through all the years. It is well also to remember that the preamble, which after all is not part of the enacting clauses of the bill but can be turned to for certain purposes only, was worded deliberately in a certain way because it was desired in the preamble to make known that the constitutional practice discussed in the old chamber at the time of the death of the late Queen Victoria and later, which involved the great self-governing dominions, was such that they could not have a voice in the succession at the moment because that was fixed by the rigid word of the written constitution and by the Act of Settlement. But in those incidents which arose out of the operation of the constitution it was intended that their voice should be heard; that they should be consulted, and that parliament itself should deal with such changes as might be made, always on the assumption that the action taken in all cases would be the same. It could not be otherwise, notwithstanding what has been said with respect to the Irish Free State, that matter having been settled in substantially the same way but by a different method.

It would be indeed an anomaly if we were in one breath to contend that we were part of the British Empire, and then, in the next, to say that we could take ourselves out of the empire. We are part of it regardless of any action we may take. We are part of it by reason of the British North America Act, the accepted method of amending which is safeguarded under the Statute of Westminster. Those provisions were inserted in the Statute of Westminster because of the action taken by the then premiers of Ontario and Quebec, who were fearful that certain changes might be made because of the operation of the act in its broad and general terms. A meeting was held here in Ottawa, the results of which will be found in the archives of the Department of External Affairs, initialled by the representatives of every province of confederation. Those results are responsible for the provisions with respect to the constitution which are contained in the Statute of Westminster.

Mr. Speaker, I apologize for trespassing so long upon the time of the house in connection with this matter. I had already expressed my views about it, but I felt that some reply should be made to the hon. member for Winnipeg North Centre before the bill was given its second reading. He misunderstood my suggestion with respect to the majority of the right hon. gentleman. What I said, and what I repeat, applies to every government where you have representative institutions. The government of the day is formed and operates on the assumption that it has at all times a majority of the members of the House of Commons supporting it. It is on that assumption that the executive from time to time arrive at decisions, having a clear understanding that they have behind them the support of the majority of the House of Commons. That is responsible government. That is the result of representative institutions.

Just as Disraeli, without parliamentary authority, provided for the purchase of the Suez canal shares and subsequently had his action confirmed by parliament and the money provided—he had been able to secure a loan for the purpose before parliamentary action was taken—so now we are about to confirm by statutory legislation certain necessary action that was taken. If the government had not behind it the support of the majority of its members it would never have passed the order in council in question, but with sure and certain knowledge that under our representative institutions it could at all times command that support, because that is the basis upon which our institutions operate, the government took the action it did. We are here, without a dissenting voice, I hope, to give that action the approval which its importance demands and which I feel sure will remove any doubt which may arise in the mind of anyone as to the necessity for its being enacted.

Mr. R. E. FINN (Halifax): Mr. Speaker, I desire to take up only a moment or two of the time of the house. When I was a member of the government of Nova Scotia under the late revered Hon. George H. Murray, the former King Edward VIII visited that province and was entertained at Halifax by the government. Afterwards in 1916 I had the honour of attending a banquet in the city of London tendered to him and presided over by the present hon. member for Argenteuil (Sir George Perley), who was then overseas minister. On his right sat the then Prince of Wales and on his left the present king, the former Duke of York.

I think that under all the circumstances we should be reserved in any statements that we make. If congratulations are in order, I should like to congratulate the right hon. leader of the opposition (Mr. Bennett) upon concurring with the government in the action taken. This action was taken so that the solidification and unification of the British Empire would not be imperilled. It has been

stated that there was a difference in time between here and London, and the fact is that the government of Canada had perhaps only a half hour or an hour in which to act. They acted wisely and they acted well when they passed the order in council. The Statute of Westminster provides that the request and consent of the commonwealth of nations must be obtained when action of this kind is taken by the government of the United Kingdom of Great Britain and Ireland.

This afternoon the hon. member for St. Lawrence-St. George (Mr. Cahan) referred to the preamble of the Statute of Westminster, but in doing that he did what many lawyers sometimes do in court. Sometimes a lawyer will read a certain portion of a judgment and leave out sentences which do not bear out the view which he is trying to impress upon the court. I propose to read that part of the preamble which the hon. member did not read. The preamble reads:

> And whereas it is meet and proper to set out by way of preamble to this act that, inasmuch as the crown is the symbol of the free association of the members of the British commonwealth of nations, and as they are united by a common allegiance to the crown, it would be in accord with the established constitutional position of all the members of the commonwealth in relation to one another—

The balance of the preamble not read by the hon. member continues:

> —that any alteration in the law touching the succession to the throne or the royal style and titles shall hereafter require the assent as well of the parliaments of all the dominions as of the parliament of the United Kingdom.

There was no alteration whatever in the succession because that is settled by the British North America Act which has not been amended and which cannot be amended. Section 7 of the Statute of Westminster reads:

> Nothing in this act shall be deemed to apply to the repeal, amendment or alteration of the British North America Acts, 1867 to 1930, or any order, rule or regulation made thereunder.

The British North America Act, which is our constitution provides under section 2:

> The provisions of this act referring to Her Majesty the Queen extend also to the heirs and successors of Her Majesty, kings and queens of the United Kingdom of Great Britain and Ireland.

Then we come to section 4 of the Statute of Westminster, and what does it provide? It provides:

> No act of parliament of the United Kingdom passed after the commencement of this act shall extend, or be deemed to extend, to a dominion as part of the law of that dominion, unless it is expressly declared in that act that that dominion has requested, and consented to, the enactment thereof.

And it became necessary, in what was perhaps the greatest crisis in the history of the British Empire, for the government of Canada by order in council to request and consent to the enactment of the legislation that was passed by the parliament at Westminster and assented to by His former Majesty King Edward VIII, enabling the Duke of York to become our present King, George VI.

I am not going to deal for one moment with what happened in the British House of Commons or with the events or motives of the Baldwin government that led up to the final result. All I have to say in that regard is, as hon. gentlemen on all sides of this house know, that the British House of Commons voted almost unanimously, irrespective of party, Liberal and Conservative, representatives of labour and other members of different views, for the enactment of that legislation which made George VI our present king. Only five members of the British House of Commons voted against it.

I should also like to say, Mr. Speaker, that it was not only right but a gracious act on the part of the right hon. leader of the opposition to take the position that he did in concurring in the action which the government took at that time, in order to help save what is the finest entity in the world to-day, the British Empire, which stands out as a bulwark against all sorts of destructive doctrines and misunderstandings throughout the world to-day.

I was surprised at the remarks of the hon. member for St. Lawrence-St. George this afternoon. He comes from my own province of Nova Scotia, from my own city of Halifax, and when he spoke of that great country to the south of us I was reminded of that day not very long ago in the history of this young Canada of ours when the present president of the United States visited this country and delivered an eloquent and human address in both languages in the historic city of Quebec. I had the honour and pleasure of hearing him. I saw him step forward on the arm of his son and wave his hand to us as to a friendly neighbour. I wonder what he will think when he reads the words of the hon. member for St. Lawrence-St. George with reference to that country, which is truly a friendly neighbour of ours, and particularly so under its present president who in recent months received an almost unanimous verdict from the people of his country. My hon. friend's remarks may leave on the minds of some unthinking people in this country—and by unthinking I mean simply those who perhaps, through lack of educational opportunities or lack of time, have not developed themselves sufficiently to dif-

ferentiate—a viewpoint that is not real, that is not manly, that is certainly not utopian, a viewpoint such as will never bring nations together as Canada and the United States have been brought together, separated as they are only by an imaginary boundary line.

It is my earnest hope and desire that the Prime Minister of this country (Mr. Mackenzie King) will supplement his highly successful efforts of last year by a further trade treaty with the United States, opening to us a wider and a larger market in that great country of 125,000,000 people, and at the same time develop a greater market for our products within the British Empire.

My right hon. friend the leader of the opposition has just recently returned from a tour of the empire, around the world by the empire trade route. He has had opportunities such as few in this house have had of visiting different parts of the world. Excluding England and parts of Europe I may say that I have had the opportunity of visiting two of the far countries visited by my right hon. friend, South Africa and Australia, and I say that the contribution of the right hon. gentleman to-day and yesterday in this house and on this issue—and he has a mind not only brilliant but active, one such as I would be proud to have—has brought about in this house a unanimity on the succession bill that will tell the world where the British Empire stands to-day.

We do not forget His former Majesty King Edward VIII, or his twenty-five years as Prince of Wales, when he visited and did much to build up and make great many parts of the empire, nor do we forget how well he carried out his duties as king until finally he relinquished his task. Let it not be forgotten that in the end it was of his own volition that he made the choice he did; it was not left for parliament to decide, nor was it left to any other part of the empire. It was left to the king's own heart and to his own secret thoughts to decide. And, finally, under his own hand and signature there came that document by which he, the king, abdicated his throne:

> I, Edward VIII of Great Britain, Ireland and the British Dominions beyond the seas, King and Emperor of India, do hereby declare my irrevocable determination to renounce the throne for myself and for my descendants and my desire that effect should be given to this instrument of abdication immediately.
>
> In token whereof I have hereunto set my hand this tenth day of December, nineteen hundred and thirty-six, in the presence of the witnesses whose signatures are subscribed.
>
> (Signed) Edward R.I.

[Mr. Finn.]

And who are the witnesses? His three brothers: the present king, the Duke of Gloucester and the Duke of Kent. I ask, Mr. Speaker, what course was open to the parliament of Great Britain and to the British commonwealth of nations but to accept that word as honestly expressing His former Majesty's irrevocable decision to abdicate? And when the legislation became law with his royal assent he passed from the scene of kingship to the dukedom of Windsor. I say, sir, that no one with a heart could fail to be touched when His former Majesty left Belvedere, when he said good-bye to his gracious mother, the former queen, to his brothers, one his successor George VI. He then got into his car and drove away to the quay and boarded the "Fury." As he looked up at the heavens and beheld the stars there scintillating, what were his thoughts as he left the shores of his native land? Let us not forget sympathy, kindness, good will, appreciation. I say, congratulations to the Prime Minister and the government, congratulations to the leader of the opposition and his followers and to every hon. gentleman who leads a party in this house and who to-night will support the bill that has been brought down by the Prime Minister to carry on that great process of unification which will declare to the world that we are a unit, that we mean to stand as a unit, and that what we stand for is liberty, justice and life under the highest and noblest form of democracy.

Motion agreed to, bill read the second time, considered in committee, reported, read the third time and passed.

SUPPLY

The house in committee of supply, Mr. Sanderson in the chair.

DEPARTMENT OF PENSIONS AND NATIONAL HEALTH

European war pensions, naval, militia, and air forces after the war, $41,500,000.

Mr. BENNETT: Perhaps the minister would make a statement.

Hon. C. G. POWER (Minister of Pensions and National Health): As the committee knows, this is the most important item in the estimates of the Department of Pensions. It covers the payment of pensions to those who were injured during the great war. Pensions are paid to disabled ex-members of the Canadian expeditionary force and their dependants numbering—and I am quoting the figures somewhat inaccurately—something like 253,000 people. Pensions are payable also to members of the active militia who since

August 4, 1914, have incurred disabilities, and to the dependants of those who died in military service. The item also covers the reinstatement of pensioners who have commuted their pensions. It gives gratuities to pensioners who have less than five per cent disability. It also provides for certain supplementary pensions payable to Canadian citizens, that is to say, people who were resident in Canada but who, during the war, served in the British army. It also provides certain additional pensions under certain conditions to ex-members of the Belgian, French and Italian forces. Arrangements have also been made with the Dominion of New Zealand whereby certain members of the New Zealand expeditionary force who are entitled to pension under their own law, whilst residing in Canada receive their allowances or pensions from the Canadian government, which afterwards recovers the amount from the sister dominion. It provides also for burial grants to pensioners who die having no means for the payment of their funeral expenses. And it covers payments to members of the permanent force who have been injured subsequent to August 4, 1914.

It is somewhat hazardous for a minister to make any statement of what the future will bring. I well recollect that some fifteen years ago the then Minister of Pensions stated that the peak of pensions had been reached. At that time the pension bill was something under $20,000,000. To-day I have the honour to ask the committee for $41,500,000. But I have reason to believe that in so far as pensions are concerned—and I wish it to be well understood that I am speaking only of pensions, that is, payments made to those who incurred disability on service—I believe that we have about reached the peak. I may say in passing that there are other expenditures which are being and which will be made on behalf of veterans of the great war that are bound to increase as the years go by. For instance, the war veterans' allowances, which are paid to those who are assumed to have a disability but who cannot establish through the courts which have been set up by our legislation that their disability is due to the war, are now being paid to the extent of $4,200,000.

Mr. BENNETT: That is another item in the estimates?

Mr. POWER: Yes, but I want to make it plain that while I am saying that perhaps the peak of pensions as such has been or is about to be reached, the highest total annual payment made by the people of Canada to ex-soldiers will not be reached for some years to come. As a matter of fact in war veterans' allowances alone we are asking the committee to grant this year an additional $800,000, and that will gradually mount up until war veterans' allowance payments will reach the total of something like $13,000,000 in, I think, 1957.

Mr. BENNETT: As the minister has mentioned that, would he say how that sum is arrived at? Or he can reserve that until the item itself is up.

Mr. POWER: When the War Veterans' Allowance Act was introduced certain computations were made, and so far they have proven fairly correct. If they continue to operate in the same manner, and there is no further legislation making the provisions more generous, we have reason to hope that by 1957 the total of $13,000,000 for war veterans' allowances will be about the peak.

As far as pensions are concerned, the peak was in 1931-32, when the amount actually expended was $46,795,039.

Mr. BENNETT: The number of pensioners has been increasing since then, but the amount expended is less?

Mr. POWER: The number of pensioners has increased. As a matter of fact in the past six months as compared with last year it has increased by something like 220. The number of pensioners who were actually receiving pension on September 30, 1936, was 97,865, of whom 79,467 were disability pensioners and 18,054 were dependent pensioners.

Mr. BENNETT: Including widows and children.

Mr. POWER: And the amount paid to September of this year was $20,776,000.

The reason for hoping that there will be some diminution is that we believe that as a result of the action of the committee set up last year the applicants who are really entitled to pension will have a greater opportunity of bringing their cases before the tribunal, whereas those who have been what might be called chronic pension chasers will have less opportunity. So that for one thing the expense of administration should decrease. As is well known to the committee, the judicial set-up has through the years become somewhat more complicated than perhaps it should be, and I say that knowing full well that I must bear my own share of the responsibility of having asked for it in this house. Let us hope that within a very short time the arrears of pension cases will be

caught up with. In fact I am informed by the chairman of the pension commission that by March 31 of this year we shall no longer have any arrears of pension cases. That, I think, will lead to considerable economy. Then, as a result of legislation passed in 1933, children born to pensioners after May 1, 1933, I think, are not longer entitled to pension. The number now going off pension is quite considerable. We find, for instance, that in February of 1937 the number who reach the age at which they will no longer be entitled to pension, that is, sixteen years, normally, is 1,029. In all, 11,475 will be cut off pension during 1937.

Mr. BENNETT: That is included in the 20,000 dependents the hon. gentleman mentioned?

Mr. POWER: Exactly. During 1938 there will be 10,518 cut off; during 1939 there will be 10,189, and from then on the number goes down very rapidly. Then, of course, there is the mortality. The average age of pensioners at the present time is forty-eight years and nine months.

Mr. BENNETT: That is other than dependents?

Mr. POWER: Yes, disability pensioners.

Mr. PELLETIER: What does the minister mean when he says they will be cut off after those years?

Mr. POWER: Under the pension legislation children of pensioners receive an allowance up to the age of sixteen normally, seventeen for girls. Under certain circumstances, if in the discretion of the tribunal it is considered reasonable they are allowed to carry on until the age of twenty-one, but there is no such thing as permanent pension for children of pensioners. Their allowance continues only until such time as they are supposed to have finished their education or until they are assumed to be able to earn a living.

The pensioners themselves are dying off at a fairly rapid rate. I would assume that at the present time there are just about as many pensioners who die off as there are new ones who come on. During the year 1935-36, for instance, there were 1,040 disability pensioners who died, and 553 main dependents. By that I do not mean children; I mean wives. That makes a total of 1,593 who no longer draw pensions on account of their decease. That figure has been rising, not very rapidly but fairly gradually, since 1928, when the figure was 1,014. In 1931-32 it rose to 1,333, and the highest figure is that I have just mentioned, 1,593.

[Mr. Power.]

So there is some ground for belief that we have reached the peak in pensions. I want it to be very clearly understood by the committee, however, that this does not mean to say that we have reached the peak of expenditure on behalf of returned soldiers in Canada. As they grow older, as more and more of them come on the war veterans' allowances, under the statute they must be looked after. As more and more become unable to cope with the ordinary competition of civilian life they will have to be looked after, somehow or another. Personally I have never cared to think of opening old soldiers' homes in this country. I do not think the Canadian people want them; I do not think the old soldiers themselves want them, but I am bound to say to the committee that the time will come when some measure or another will have to be taken to look after those who gave good service to the country at the front and who are unable to look after themselves otherwise.

Mr. McIVOR: I should like to express the appreciation of a family in Fort William. A returned man was stricken with an incurable disease and confined to the general hospital in Winnipeg. His parents, who were around eighty years of age, desired to have their son come home and spend his last days in Fort William. I got in touch with the Minister of Transport (Mr. Howe) by mail; he got in touch with the pensions department, and in less than five days this returned man was in the McKellar hospital in Fort William. Since then he has answered the last roll call, and on behalf of his parents I would express to the Minister of Pensions and those assisting him their deep appreciation. I think this shows that this department has some heart, and I hope the department will continue to show it, so that any man who has served overseas may obtain that which will satisfy him when his body and mind are weakening.

Mr. GREEN: May I ask the minister whether he has yet had a report from the War Veterans' Assistance Commission which was appointed last year? I ask that question for this reason. That commission has travelled across this country and has heard representations of many different kinds. I think several of these items which will come up to-night should stand over until we have had at least an interim report from that commission. The committee on pensions and returned soldiers' problems which sat last year brought in a recommendation in these terms:

To ensure that the progress of the commission's activities, both in connection with its surveys and application of approved projects,

be made known to the government, your committee would also recommend that the commission be required to submit from time to time interim reports on matters arising out of the act.

The act which was passed provided, in section 12:

The minister may from time to time require the commission to submit a report on the progress of projects and other matters arising out of this act, and the commission shall, before the expiry of the term of office of the commissioners, submit a final report to the minister in such form and with such details as the minister may direct—

So far as I know as yet there has been no report, and I would ask the minister whether he has required the commission to make one. They have been sitting now for several months, and even an interim report would help this committee a great deal in dealing with these items. Surely they are not to be passed before we have had the advantage of seeing an interim report by the commission.

Mr. POWER: I should like to explain to my hon. friend that the item under discussion deals solely with pensioners, that is, those who have acquired a claim on the government because of disabilities incurred on service. I am not for a moment raising a point of order, but whether an interim report or a complete and final report has been received from the War Veterans' Assistance Commission will not in any way affect the present item. But I may say to my hon. friend, for his own information, that the commission has been from coast to coast in Canada; it has been in touch with those interested in the problems of returned soldiers in almost every large centre in the country, and it has made certain reports which I shall be prepared to table within the next day or so. But those reports will have no effect whatsoever on the question under discussion. My hon. friend will remember that really the duty of the War Veterans' Assistance Commission was to ascertain approximately the number of ex-service men throughout Canada who were unemployed and what possible means could be found to obtain employment for them.

Mr. BENNETT: The work of that commission may, however, affect the total expenditure on returned soldiers.

Mr. POWER: I have no objection to saying that I am not prepared to bring down the documents to-night, but I should be able to do so within a day or so. Committees have been established in almost every city of any size in Canada. Some of the most reputable business men and others interested in returned soldiers have agreed to act on these committees. Certain recommendations have come to us, for instance one dealing with a corps of commissionaires. The recommendation has been approved by the department and will be tabled within a day or so. Another recommendation dealing with a community centre in one section of the country has also been approved. But I think my hon. friend will agree that to say that there is any general panacea for settling unemployment among returned soldiers at the present time would be almost ridiculous. We must handle the situation as best we can in each locality, with the help of the best minds available who have agreed to help us, and that is what we are doing. I do not expect the final report of the commission for some time to come. They have been barely able to classify the reports which they have received. I may say this, that 33,000 returned soldiers filed replies to the questionnaires, which, I take it, means that there are 33,000 returned soldiers out of employment. How many of these are pensioners at the present time and receive a small allowance and relief I am unable to say, because the figures have not been placed before me. But there will be no information disclosed by that committee which will have any great effect on the vote now before us for European war pensions, because most of those who are to be dealt with by the committee will be people who obviously have no claim for pensions, and are not claiming for them. The very large proportion are persons who are asking that they be given some kind of dole or gratuity because they served in the army. So far no government in Canada has been willing to accept the principle that service alone shall entitle a person to payment or to treatment different from that accorded to any other section of the community.

Claims and representations of which I know unofficially have been made to the committee to the effect that because an ex-soldier who is in receipt of a pension gets a minimum relief of $18.75, that, therefore, an ex-Imperial soldier who came into Canada in 1928 or 1929 and who is in receipt of $12 or $13 from his municipality should receive the same amount of money. If that claim is made it will possibly be placed very energetically and strenuously before parliament.

Mr. BENNETT: Claiming the dominion should pay $6.75?

Mr. POWER: Yes.

Mr. BENNETT: Yes, that is the old claim.

Mr. POWER: I am giving an extreme case. I want that understood. A large number of ex-Imperial troops came to Canada after 1924. Prior to 1924 we had treated them on exactly the same basis as the Canadian soldier. A large number of them were men who commuted or sold their pensions. That is to say they are not in receipt of one dollar from their own government. However, owing to the fact that the legislation of that day provided that if they were here before 1924 they should be placed on the same basis as Canadian soldiers, we pay them the full amount of $18.75 if single men, and running up to $60 or $70 and even to $80 if they are married men, depending upon the number of children they have.

Mr. BENNETT: Notwithstanding the fact that they have already had one pension?

Mr. POWER: Yes, as my right hon. friend has pointed out, notwithstanding the fact that they have already received a pension from their own government, which pension they have commuted. The claim now being made upon us, which is in fact urged in hundreds of cases, is that those who came here since 1924 should be placed in exactly the same position. I do not know whether I speak for the government or not, but certainly I speak for myself when I say that I would not be prepared to recommend to this committee that we assume the obligation of any other government.

Mr. BENNETT: Unless there is a reciprocal arrangement. We have that with New Zealand.

Mr. POWER: Perhaps this is not the time to say so, but I did make representations along those lines and I was told very frankly, perhaps too frankly, that the British government considered that they should make no distinction among their pensioners. If their pensioners in England were to be treated in such a way, there was no particular reason why they should treat their pensioners in Canada in another way. Whether this parliament or the people of Canada wish to take in everyone who has served in any army of the British Empire and immediately put him on some kind of dole or relief, making a distinction between him and the ordinary average civilian which should not exist unless he has been wounded, or unless he has some war disability, is for parliament or the people to say. If that condition arises, then the whole policy of various governments since the war will have to be revised.

As I have said, so far we have taken into consideration those who have incurred disability. We have presumed disabilities for those who were burned out. We have gone to the length of making certain payments to those who have a fairly strong claim on this small country, and I doubt very much, when all the facts are placed before it, whether parliament will be willing to adopt the principle of immediately saying that anyone who wore a uniform in any part of the British Empire—and if we take the British Empire we may as well include the allies—will immediately be placed on some special kind of dole or some special kind of pension which will distinguish him from his fellow citizens.

So far no legitimate soldiers' organization has urged anything in this connection, and I doubt very much whether for some time to come they will urge it. I repeat, however, that in spite of that something will have to be done for those who are no longer able to obtain employment. I doubt very much whether we shall do it by a system of general hand-outs, such as I have just indicated, but something certainly will have to be done. It will be the duty of this parliament to work out the problem in a manner satisfactory to the Canadian people.

Mr. GREEN: In his speech I believe the minister has clearly shown that there are many different angles to the returned soldier problem. To-night, at the beginning of a session we are asked to pass by far the biggest and most important item in the minister's estimates. Yet this is but a part of the whole picture. We have honorary local committees, composed of first class men, in different centres across Canada appointed to help the War Veterans' Assistance Commission, and I suggest that before we are asked to pass the item we should have a report from the commission. I would ask that the minister permit the item to stand until we have had an interim report. He indicated that he could get such a report in a day or two, and if that is so I suggest that we be given a few days to consider it and that the item be placed aside at this time, without all this hurry.

Mr. POWER: I think that within fifteen or twenty minutes I could get for the hon. member the names of the members of those committees set up in the different cities. I have not such information with me, but I believe I could get it on short notice. With the exception of the one I have mentioned requesting that money be provided to create a corps of commissionaires, and another that

a community centre be established in a certain section of the country, that is about the only report we have. As yet, no general plan has been laid down by the War Veterans' Assistance Commission, and without having discussed the matter with them at length may I say I doubt whether they will have any general plans to lay before the government. In any event, the item we have before us has nothing to do with that matter. I have no objection to holding up one item in the estimates or, in fact, any two or three of them, but why block all the estimates in order to obtain a report which may or may not be valuable?

Mr. GREEN: The minister has many other items with which this report would not be concerned. He has indicated that there are several thousand small pensioners included in the list of 33,000 from whom information has been received. Surely we are entitled to have an interim report from the commission concerning these pensioners before we are asked to pass the present item.

Mr. MacNEIL: May I remind the minister that there are many members of the committee who wish to discuss the problems now under review by the War Veterans' Assistance Commission in the light of their findings and the evidence they have surveyed. In the estimates of last year provision was made for $500,000 to finance the War Veterans' Assistance Commission and authority was given by statute for the commission to institute various projects, subject to approval by the governor general in council. No such vote appears in the estimates of this year and we are anxious to hear from the minister as to what opportunity will be given to discuss this particular problem.

Mr. POWER: I have some hope that there will be an item in the estimates. I am quite willing to give an undertaking to my hon. friend that ample opportunity will be afforded to the members of the committee to discuss anything concerning the department under any vote. If the hon. member for Vancouver South (Mr. Green) is scared by this item of $41,000,000 and would prefer me to take up another item, I have not the slightest objection. I took up this large item in order that members of the committee who were interested in these problems would have a chance to discuss them. I may say that in so far as I am concerned no point of order will be raised even if the discussion ranges from hospital supplies to distressed seamen.

Mr. GREEN: Our difficulty is that we have not the information which the minister has. I think we should have it and also have an opportunity to digest it before we are asked to pass this item.

Mr. POWER: Do I understand that my hon. friend does not want to pass any item?

Mr. GREEN: I think items 191, 193, 198 and 200 should be allowed to stand as they are the ones with which the report of the commission will deal.

Mr. POWER: I shall be very glad to do that. I am willing to give an undertaking that any matter may be discussed under any item.

Mr. GREEN: I think the minister knows from our conduct in the special committee last year that we are only too glad to help him out, but I think we should have the fullest possible information before these items are passed.

Mr. WILTON: In what position would an imperial veteran be who was a Canadian resident, who was drawing a small British pension and who had served with the Canadian forces in South Africa? Would he be in a special class or would he be on a par with the Canadian soldier?

Mr. POWER: If he came here prior to the South African war his pension would be at the Canadian rate; if he came after the war he would be treated as an imperial pensioner.

Mr. WILTON: Is that covered by a regulation?

Mr. POWER: Section 47A reads:

> The pensions which are now being paid by Great Britain for disabilities or deaths which occurred during the South African war to or in respect of members of the Canadian contingents which served in that war shall hereafter be supplemented during the continuance of the residence in Canada of the recipients of such pensions by such additional pensions as will make the total of the two pensions received by them equal to the pension that would have been awarded if they had been disabled or had died in the military service of Canada during the war.

Mr. GREEN: Do I understand that the minister will file a report of the commission within the next few days?

Mr. POWER: Within a week.

Item stands.

Salaries—staff, $3,517,600.

Mr. LENNARD: What does the increase of $52,600 in this vote represent?

Mr. POWER: There has been a suggestion that the public health department should be somewhat enlarged and this increase will cover the necessary salaries.

Mr. BENNETT: I think this item would require a good deal of elaboration before it is passed. I believe the minister would be the first to say that much more explanation than has yet been given would be needed to satisfy him in days not so long past.

Mr. POWER: I would, were I sitting where my right hon. friend is.

Mr. BENNETT: I think it would be well to give us more details. These estimates came down only yesterday and hon. members who have interested themselves in this particular branch of the service have had little or no time to consider them. The minister has the details before him and perhaps he would make a statement which could be spread upon the pages of Hansard and be available to hon. members who might want to discuss these matters. During the time I was absent I took the trouble to look into the matter of estimates and the detailed reports furnished to the parliaments of Australia and New Zealand. I was amazed at the amount of detail furnished in those countries in connection with estimates. I brought the particulars away with me and they may be of interest to some hon. members to whom I shall be glad to show them. In the sense of particulars, the method of dealing with the budget is entirely different in those countries. This item involves a very large sum of money; it covers salaries of staff and surely there should be upon Hansard the particulars which I have no doubt the minister has beside him. We should know the number of people stationed at different points and the salaries they are receiving. I do not think this is an unfair thing to ask. It is what the minister himself would have asked under similar circumstances.

Mr. POWER: I realize the force of the argument of my right hon. friend and I appreciate that these estimates were placed before hon. members only this morning. They have had but little time to go into them. In connection with this item, with the exception of a new field into which it is proposed to enter, the salaries are approximately the same as they have been for many years past.

Mr. BENNETT: Are they included in the details of civil government?

Mr. POWER: No. I think my right hon. friend will agree with me that the nomenclature "civil government salaries" is somewhat out of date. I never knew what it meant.

[Mr. Lennard.]

Mr. BENNETT: I agree with that.

Mr. POWER: As far as I have been able to gather from those who are more familiar with parliamentary procedure than I am, that referred to civil government in the old days as against what I would call popular government.

Mr. BENNETT: It was vox populi against vox dei.

Mr. POWER: They are what I would call the common, everyday salaries that the ordinary civil servant receives. It is proposed to enlarge the sphere of the activities of the department in connection with child and maternal hygiene, and also to increase laboratory facilities. It is proposed to go into what is known as public health engineering, to increase the staff which deals with epidemiology and to make a further study of industrial hygiene. It is proposed to go in for more publicity and health education. All this may or may not mean a thing to hon. members; I know it meant very little to me a year ago. However, I had an opportunity last June or July to meet the ministers of health of the various provinces of Canada. I think six ministers were here personally, and the provinces were also represented by their deputy ministers. A thorough general discussion of public health in Canada took place, and as a layman I am sorry to say that I found the doctors were not in very substantial agreement on any particular subject. I asked them, for instance: What would you do if I had a million dollars more granted to me than I have at the present time?

Mr. BENNETT: They would suspect the hon. gentleman.

Mr. POWER: My hon. friend must be more familiar with them than he is with me.

Mr. BENNETT: I quite agree.

Mr. POWER: I am surprised at the right hon. gentleman.

Mr. DUNNING: I am more than surprised; I am shocked.

Mr. POWER: In reply to my question, one said that he would like an additional grant made to his department so that he could carry on more medical work generally. Another thought it would be a great idea if we went in for a further study of cancer, and another thought a further study of heart disease should be made. Another believed that what we call in Quebec sanitary units should be further extended, and so on and so forth. So frankly I came to the conclusion

that if we had a million dollars more, what would happen would be that each province would ask for its share, and the federal Department of Health would not be one cent's worth better off.

So, after considerable discussion with the officers of the department we agreed upon a program for enlarging our present study of child and maternal welfare. It will also give us an opportunity, not to overlap provincial work on industrial hygiene, but of doing what a great many provincial ministers of health asked us to do, of making studies which they require. For instance, there has arisen in this country and in the republic to the south of us a great demand for a further knowledge of silicosis. So far that has been looked after entirely by the provinces, and I know that Ontario in particular has specialized in its studies of that particular disease, and has been, I understand, fairly successful. But if a certain amount further were granted it would be possible for the federal department to give what the doctors are fond of calling "leadership in health" in respect to certain industrial diseases which are common to all the provinces.

There has also been made the suggestion that there should be more publicity and health education undertaken by the department itself. I notice that my right hon. friend shakes his head.

Mr. BENNETT: I was not shaking it in negation.

Mr. POWER: After listening to my right hon. friend last year, when he was discussing the grants made to the different associations whose concern is in the promotion of health throughout the country, I was almost convinced that perhaps it would be better for the department to carry on a great deal of that work itself. I am not yet firmly convinced one way or the other, but I do believe that in the hands of the department, publicity and health education would be a great boon to Canada, rather than leaving that work to individual associations throughout the country whose activities are controlled largely by their own particular interpretation of the purposes for which grants were extended.

The provinces, when consulted, requested that they have available with us consultants on industrial hygiene, child and maternal welfare, epidemiology, and so on and so forth, and it is for that reason that these increases are being asked for this year.

I hope the committee will give us an opportunity of bringing back this Department of Health to the status which it was originally intended to have, that of the leading Department of Health in the Dominion of Canada. At the present time, owing to financial circumstances, the depression and one thing and another, the Department of Health is simply, if I may speak in military terms, a skeleton corps, and if we are to do something that will be of benefit to the country as a whole I think the department should be strengthened.

The positions covered by these increases will be one chief of child and maternal hygiene, $5,000; and staff, $4,260; epidemiological, one chief, $5,000, and staff, $5,400; industrial hygiene, one chief, $5,000, and staff, $1,800; publicity and health education, $11,980; one sanitary engineer will be added to our staff In order to explain the term "sanitary engineer," he is a person who makes tests of drinking water used on trains and boats plying between Canada and the United States to make sure that it is safe for human consumption. It is an international convention long ago entered into between the United States and Canada. There will also be an assistant chief, laboratory of hygiene; one senior bacteriologist, one senior laboratory assistant, and one laboratory assistant, making a total of $51,580.

Mr. STEWART: I notice in the press that recently there was a conference of provincial premiers in Ottawa, and the premier of at least one province, Ontario, proposed that there should be a consolidation of the health services of the provinces with that of the dominion. He held out, and continues to hold out, the hope to the people of the province that there will be a substantial saving in the expenditure of the province and that the work will in that way be better done. I would ask the minister if any progress has been made along that line, if anything of that kind is under consideration, if any steps have been taken in the direction of the dominion Department of Health taking over in any large measure any of the health services now being performed by the provinces, and generally whether anything has been done that leads in the direction of, shall I say, dispensing with a duplication of services, or of bringing about a consolidation of services to prevent overlapping, or of effecting a decrease in expenditure on the part of the provinces in respect to public health.

Mr. POWER: My attention was also drawn to the observations made by the premier of one province with respect to health, but I may say that at the present time there is no duplication in health services.

Mr. STEWART: He said that there was.

Mr. POWER: Perhaps he knows, but after careful inquiry made in our department we have found that nowhere is there any duplication of work—

Mr. BENNETT: It depends upon what you mean by work.

Mr. POWER: —or expenditure.

Mr. BENNETT: There is duplication of activities.

Mr. STEWART: There is said to be a duplication of services, or activities or organizations.

Mr. POWER: My information is that in no way do we overlap the work that is done by the provinces in any of these matters. So far as health is concerned we are almost purely a consultant body, and that is what we should be. It should not be our duty to carry on the work, for instance, of mental hospitals for ordinary civilian mental patients, and we do not do it. Under the statutes we must look after quarantine and the sanitary services to which I referred a moment ago, that is, the inspection of drinking water on public carriers, on railways, on boats, and so on. We must look after distressed seamen. We have a pure food and drugs act and a patent medicine act which it is our duty to administer, and in none of these, so far as I am aware, do we overlap the provincial authority.

Mr. STEWART: As disease is no respecter of provincial or international boundaries, what are the activities in connection with epidemics such as smallpox or any contagious diseases? Is there any overlapping there?

Mr. POWER: So far as the federal department is concerned, my hon. friend will understand that we cannot very well quarantine a province. We can quarantine vessels coming from a foreign country, but it would be extremely difficult and I should not like to undertake to quarantine vessels going from Ontario to Quebec. Federally speaking, I can hardly conceive of any great sphere of activity on our part in the way of preventing epidemics, unless any epidemic became of such a nature as to be a matter of national importance and urgency and the work had to be taken over by the national government.

Mr. McCANN: It is surprising to me, as one who has been engaged in public health activities in this province for a period of twenty-five years, to see any display of levity with reference to the expansion of the health activities of the federal government. I remember reading a short time ago that the leader of the opposition, in moving the address in reply to the speech from the throne twenty-five years ago, suggested that a federal department of health should be established in Canada. Such a department was established shortly after that time and for a few years I believe there was considerable interest in the matters to which it devoted its attention. During a succession of years following the federal department of health came to be known to the people of Canada more because of its inactivity than because of anything it had ever done. It is, therefore, a matter of congratulation to the present minister that he contemplates at this time expanding the Department of Health.

The medical profession throughout the country, and particularly those who are engaged in public health matters, look to the federal department for leadership, but they have not been getting it under either Liberal or Conservative administration throughout the last decade. It is little wonder that the ministers of health of the several provinces come to the federal government and ask for an appropriation for work to be carried on in those provinces when that work should be done by the federal government itself through its Department of Health. I wonder whether it is the policy of the minister to carry on these new activities through departments which he will inaugurate and have directly under his supervision, or whether he intends to make grants to voluntary agencies who have been more or less doing that work.

Canada owes to the voluntary agencies who have been doing public health work a great debt of gratitude. They have been doing pioneer work in public health, aided by very meagre grants from the federal department. The department of child welfare received last year, I believe, a grant of $13,000. For some reason or another that department, which was formerly carried on under a trained medical man at its head, was transferred to an agency presided over by a lay person. The work in maternal welfare and public health education has fallen down very materially, and the best evidence of that is shown right in the city of Ottawa, which has the highest infant mortality rate of any city in the dominion. Here, under the very shadow of parliament hill, where the people should be given leadership in public health education and in maternal and child welfare, there is a mortality rate which leads the whole country. That is a reflection upon the Department of Health as far as health education goes. The department and the government, it is true, have given recognition at times to men who

have done something in the sphere of preventive medicine. We make a grant annually to Sir Frederick Banting in recognition of his discovery. Could not something be done to stimulate research in Canada along preventive medical lines? Could we not have a department of national medical research just as we have a department of scientific research? I believe that if we had such a department many of the ills to which the people of Canada are heirs would be coped with successfully, and not only would that accrue to the health of the people, but we would reap the economic benefit as we went along.

Does the committee realize that at any time in Canada there are 180,000 people on the sick list, and that the economic loss to the country is in the neighbourhood of $300,000,000 per annum? Yet what are we doing about it? So far as the federal government is concerned practically nothing is being done. Nothing is being done by the Department of Health in connection with research in cancer, in diabetes, in heart disease, all of which are leading causes of death and disability. I believe it was Disraeli who said that the health of the nation should be the prime concern of any minister, and that holds good to-day just as it did in Disraeli's time. Health is wealth; and if the Department of Health has as its first consideration, as it should have, the health of the nation, then it will extend its activities a great deal further even than is proposed under this additional set-up. I must commend the minister for at least taking a step forward in the direction of preventive medicine.

Mr. WALSH: I should not like to detract one iota from the remarks which have just been made, but at the same time I feel that this additional item is adding an extra burden to the already over-burdened ratepayer in Canada. We have health work actively carried on in our schools and school districts. We have health work of the same nature as suggested by the minister carried on by private agencies. We have active health work, as suggested by the minister in connection with this item, carried on by the various municipalities throughout Canada. We have in each and every province of this dominion a department of health actively carrying on aggressive educational work. Over and above that we have a Department of Health in connection with the dominion government. There is a considerable degree of overlapping despite what has been said previously in this committee. There is overlapping not only as between federal and other agencies, but as between the various agencies which exist in the different provinces.

I cannot agree to the passing of this item without registering a protest, for I feel that it is in the estimates for the sole purpose of providing more, and more lucrative, positions for friends and those kindly disposed towards the present government. I do not like to make a suggestion of that kind, particularly in connection with a department presided over by so genial and congenial a minister as we have at the present time, but at the same time I should be remiss in my duty to my electors and to the taxpayers of Canada if I did not voice a sentiment that immediately arose in my mind when I saw this additional item in the estimates. I may be wrong; I may be stating a thought which does not exist in the minister's mind, but it does exist in mine. If this work were not carried on in the provinces and the various municipalities I would certainly agree to this addition. If the minister could give us some assurance that at this conference which was held with the provincial representatives they had agreed to curtail their activities and in that way lessen the burden of expense on the provinces in order to have that work done by the dominion government more effectively than it can be done by the provinces, by all means let us agree to this increase. But sufficient work has been carried on in this field. There is too much overlapping. We should do away with the overlapping and overexpenditure as a result of it, before we increase an item of this kind. I should like to have some assurance from the minister that that is in prospect, so that the taxpayers of this country will recognize that we in this parliament are not adding $52,000 to the amount of money required to be collected without some compensation, or some elimination of overlapping and resultant overexpenditure. The Canadian people are already overtaxed, and I feel that every minister should make it his purpose, if at all possible commensurate with the work required to be done, to reduce taxation, to lessen the burden thereof, so that the people of Canada will feel that the government are at any rate striving to make a step in the direction of lightening their burden during these rather distressful times.

Mr. POWER: I am quite willing to give my hon. friend the assurance that as far as the federal department is concerned there is no intention of undertaking any service which is now being carried on by any provincial department. And I can assure him further that my understanding with the provincial ministers of health was that they

wished the federal department to go into this field because they themselves could not afford to do so. It is a new field entirely.

Mr. WALSH: Would the minister state exactly what is that new field which is covered by this particular item of $52,000?

Mr. POWER: Such provinces as the three prairie provinces, and possibly the maritimes, would like certain services made available by this government because they cannot afford to carry them on at present; I refer to such matters as child and maternal welfare, epidemiology, industrial hygiene and public health education. The larger provinces, such as Quebec and Ontario, carry on certain of these services, I think, but we shall not be establishing anything in the way of a new branch which will overlap work done by the provinces or cause any extra expenditure of money.

Mr. WALSH: According to the statement of the minister then, there will be a certain amount of overlapping in connection with Ontario and Quebec?

Mr. POWER: No; we shall be doing different work.

Mr. WALSH: My understanding was that the federal department was going to do work which is being done in Ontario and Quebec but not in the smaller provinces.

Mr. POWER: Ontario and Quebec possibly may not need these services which we are proposing to establish; they may have the facilities to carry them on themselves, and I have no doubt they have the necessary funds. But they have no objection to our carrying them on and having consultants to be of assistance to the other provinces. I hardly think it likely that Saskatchewan would feel able to go to Quebec and Ontario with the same assurance that it could go to a federal department to consult about or ask for assistance for work which can be done by that province.

Mr. WALSH: I should like to have heard from the minister a statement something like this; that as a result of this conference the provinces have agreed to discontinue work in such and such fields, and consequent upon that I am asking for an extra grant of $52,000. We have sitting in this committee at the present time the Minister of National Revenue (Mr. Ilsley). No doubt he could tell us how difficult it is to collect a sufficient amount of taxes even to approach a balanced budget. And he could relate many instances of the difficulties he experienced during the past year in attempting to collect taxes to meet our expenditures. We should try to make his work lighter, as well as bearing in mind the unfortunate taxpayers. I should like to have a definite assurance from the minister that that is the case; that the provincial authorities are actually withdrawing from a certain field and that we can thus hope for lessened expenditure in that department as far as the provincial governments are concerned. Then the taxpayers of Canada as a whole will see that their taxes are not actually being increased by this increased expenditure.

Mr. BENNETT: I desire to make a few observations about this matter, especially in view of the statement just made by the hon. member for Renfrew South (Mr. McCann). It is quite true that some twenty-five years ago I advocated the establishment of the Department of National Health. It is equally true that I still believe it has a distinctive and responsible work to discharge.

But health is a little different from almost any other branch of governmental endeavour. Primarily we have the advantage of all the work that is done, for instance, by the Rockefeller Institute, by the great Carnegie foundations and by all the other countries in the world. That becomes available at once to the people of the Dominion of Canada, and our poverty stands in the way of our carrying on research work to anything like the degree to which that work is carried on in other countries. A moment ago the minister mentioned the expenditure of a sum of money for the purpose of further investigating a disease which arises out of the working of quartz—silicosis. Down in South Africa I had occasion to look into that for a very special reason. There they are carrying on gold mining operations at a depth of from eight thousand to ten thousand feet. Johannesburg itself is six thousand feet above sea level, and the loss of life which came about through the inroads of this disease was such that action had to be taken. Already they have devised methods by which they have entirely eliminated the risk, by dampening the faces of the working areas, so that they are no longer threatened with any disease from that cause. They, of course, compelled the great enterprises that were carrying on these operations to contribute very largely in order to attain this end.

All that information is available to us without the necessity of setting up a department. We can get it without difficulty. It is quite true, as the minister says, that there is reluctance on the part of people to apply to other governments for information, but on

the other hand there is always an avowed willingness on the part of the governments of the British Empire to communicate with one another. It will be remembered that not long ago an attempt was made to bring about a correlation of the activities of the various countries that comprise the commonwealth in order that information might be readily available to the peoples of the different countries. In this country we have no difficulty in obtaining the benefit of the tremendous amount of work that is done in the United States by the great enterprises and research bureaus to which I have referred.

Let us be fair when we talk about the federal department. Doctors have frequently said that the federal department has been a failure, but the federal Department of Health never came into being, as the minister said a moment ago, for the purpose of carrying on work in connection with mental hygiene or problems of that sort. It was rather to be a clearing house through which the information obtained in world wide activity might be made available to the various provinces to assist them in discharging their constitutional functions. If difficulties have arisen by reason of impoverishment and lack of revenue to enable the provinces to carry on this work, then another situation entirely arises which is absolutely foreign to the matter we now have under consideration.

Let us take this as a practical question; let us start with the schools. Who provides medical attention in the schools now? I wonder if it is realized that in almost every part of Canada, certainly in every province so far as I know, provision is made for medical inspection and services for the children who attend the schools. In the cities and towns that is well provided for. In the rural municipalities the situation is much more difficult, and just how to get over the difficulty is a matter that, to my knowledge, has engaged the attention of the provincial authorities in some of the remote communities for a very, very long time. But you do not suggest that the federal government should give leadership with respect to a matter of that kind. It would be idle to say that the Department of Health in Canada should take from the provincial departments of health and the municipalities control over all these matters. What would be the result? A moment ago the minister referred to Ontario. I recall investigating for my own information the situation in that province in connection, for instance, with the dental clinic. There was travelling over that province a dental clinic looking after the teeth of school children. In New Brunswick the Red Cross clinic was travelling over the province giving free dental service to those who required it. I was one of the executive officers of that organization at the time, and I was amazed at the condition of the teeth of the children as indicated by the reports which were made by that travelling clinic. The other day in New Zealand I saw twenty-five or thirty children around the age of twelve or thirteen going into a clinic in the city of Wellington for the purpose of having their teeth examined and "stopped" as they call it there, consequent upon decay. That work was being carried on under a centralized government. In that country they have a million and a half people and everything rests with the central authority. But if you say to some of the provinces—I will not name them, because I fancy they are fairly well known; I have had experience, and I speak in the light of that experience—that you are prepared to take over that work, they will tell you they do not want the federal government meddling in their purely local and domestic matters. That has been the attitude in regard to provincial rights in this dominion. Is it suggested that the federal department should undertake duties of that kind? I think the minister has already answered that question; he does not suggest it for a moment. On the contrary, as I understand him he thinks the department does not exist for that purpose at all.

We are starting with the children. You have the clinic in the school; you have the health of the child being carefully looked after. Then you go into the great realm of contagious and infectious diseases. Under our constitution the quarantining, the putting up of notices, the making of investigations—I am leaving out for the moment ships and sailors—rest entirely with the provinces. They carry on that work. Is it suggested that the federal government should undertake that class of work? I think not.

Then you go a step further; you have the great voluntary organizations to which the minister referred a moment ago, and by the movement of my head, perhaps consequent upon a long voyage, I did not intend to negative in any sense the suggestion that the minister was making; quite the contrary. We have the great voluntary organizations such as the Victorian Order of Nurses. I fancy everyone of us makes contributions to that order every year, and it carries on a very, very excellent work. Then you have the Red Cross hospitals in outlying sections, that are looking after the people in those areas. Then you have many of the provinces developing what are called municipal

hospitals, through unions of municipalities, which care for the people within those areas. The difficulties, of course, lie in the matter of cost. In these days of impoverishment they have not the money with which to maintain hospitals, and they are not provided with funds for the purpose of paying the dues which may accrue when their people may have to go to other hospitals.

Then you have introduced into the subject matter another factor which owes its origin to one of the great insurance companies of the world. That company conceived the idea of extending the length of human life, believing that by doing so through the care of their policyholders they would secure additional funds in the way of premiums for two, three, four, five, six, eight or ten years. Those additional funds would become available as part of their capital with which to meet claims under their policies, and they believed that by utilizing a portion of their moneys they would be able to find a balance on the right side if the portion was thus used for the purpose of ensuring the health of their policyholders. That has developed to a tremendous extent. Free medical examination of the policyholders has been provided. In the policy of at least one company of which I know, with some fifty million policies outstanding, there is a provision which authorizes the agent of the company to visit the home, and there is a travelling nurse who from week to week goes from home to home of the policyholders for the purpose of endeavouring to improve the health of the people.

Those are voluntary organizations. Add to them the great national organizations carrying on research work. The hon. member for Renfrew South says that the federal government should give a lead with respect to, let us say, cancer research. Well, Mr. Chairman, when you think of the enormous sums of money being spent annually in the British Empire in connection with research work, and the opportunities that are afforded Canadian research workers in those laboratories to give the best that is in them, the question of setting up here a laboratory for the purpose of research work in cancer is one which I think the minister would consider worthy of very careful consideration, before taking action in connection with it.

Mr. POWER: There is the matter of duplication.

Mr. BENNETT: Precisely; because it is the kind of effort the results of which are immediately made available to all. That was the reason why a British Empire cancer research bureau was set up, the idea being that in one particular line of research the work might be carried on in New Zealand, in another it might be carried on in Canada, and in another in Australia. The centralized effort would be at some spot such as London, or some other place which might be selected for the purpose.

Mr. POWER: The bureau even made grants to Saskatchewan.

Mr. BENNETT: As a matter of fact the minister knows what has been done in some countries. I saw certain research workers in Dunedin, New Zealand, carrying on research work in connection with one phase of the work. I happen to know something of the work which is being done in London in correlating and coordinating these various activities. I do not think the hon. member will suggest that the Dominion of Canada should endeavour to utilize the taxpayers' money to set up a great research bureau, especially in view of the munificent—I use the word deliberately—the munificent gifts of some Canadians in connection with British Empire cancer research. I believe one citizen in the city of Montreal gave a hundred thousand dollars in that cause.

At the jubilee of His late Majesty we in Canada endeavoured to create a cancer research fund. The response to it was not as generous as might have been expected, but the province of Saskatchewan, where there was suffering from crop failure, subscribed small contributions extending over wide areas, and the total was large, having regard to their condition. The fund is not large at the moment; I believe it is only a few hundred thousand dollars. What is a few hundred thousand dollars in a work of that kind? It is nothing. When we think of the vast sums that are available in the Rockefeller Institute or the Carnegie foundation or in some other of the foundations, the vast sums which have been set aside and endowed for this purpose, I think we must agree that at this time it is not quite fair to suggest that the federal Department of Health is lacking in leadership simply because it does not establish a great research bureau for cancer or other research work. Having regard to these difficulties, and the willingness of our citizens to make contributions to every work, wherever it may be possible, I do not think that duty rests upon the taxpayers of Canada.

Then we come into the realm of infectious and contagious diseases. The provinces are carrying on a good work in that connection. I say to the minister that I still believe he can accomplish more good work by educa-

tional process under the direction of the government itself than through these organizations. Much, of course, may be said for them, but it is a fact that the organizations which receive these sums of money by way of grants in aid must necessarily use a great part of the money to maintain their organizations and to pay salaries.

The extent to which the work of the department may be extended is one which each minister will have to settle for himself. The minister in the late government made provision whereby he would bring together a meeting of nurses and doctors, various members of hospital boards, government officials and others interested in health, to try to arrive at a point where a national policy under the control of the minister might function, if one may use that word with respect to a policy. That must be done without in any sense impinging upon the activities of the provinces. That is the problem to which the minister has given his attention. He says: I am going to have another sanitary engineer; I will pay $5,000 in salaries, and a few hundred dollars for a few clerks. That would be sound, if it were based upon the assumption that it would not be impinging upon the work carried on by the provincial authorities.

In other words the ministry of health as I conceive it, and as I have always conceived it, is primarily one for the dissemination of knowledge, and one which may assist in the work which may be carried on for the purpose of eradicating disease. In other words it must assist preventive medicine. One of the finest addresses in recent years on the question of preventive medicine was delivered by the late Lord Moulton at Leeds university. The question of preventive medicine he there discussed is one which has engaged the attention of public men during all these years. I for one will entirely support the minister in any effort he may make to assist preventive medicine, but the assistance of preventive medicine, as a policy, must be carried into effect without impinging upon the work being done by the provinces in that connection. We cannot get into the field of the work the provinces are doing; I have in mind dental work and work in connection with infectious diseases.

In the question of research we must realize the problem is one of our ability to provide facilities, having regard to the fact that knowledge acquired in one part of our world is in a very short time available in other parts. For instance, Sir Frederick Banting did not sell his discovery; he made it available, and as a result we find insulin available in all parts of the world for the purpose of accomplishing the ends for which it is used. The research work carried on by a private individual resulted in a great discovery. The Connaught laboratories in Toronto are carrying on a good work in vaccines and serums. A short time ago I visited a laboratory outside Pretoria in which the same work is being carried on on a large scale. The large amount of money that is being spent is not altogether for the relief of humans, but has some connection with the matter of food and that of veterinary services. All the knowledge obtained in Germany, in France and in Canada was lying in the laboratory I visited, available to all concerned. Having regard to the knowledge available to Canadians I do not think we can be blamed for not giving leadership, such as is so frequently suggested should be given by the Department of National Health. We have not embarked upon an extensive scheme of that kind. Unless the situation is entirely changed through the surrender of control by the provinces, I believe the federal department can carry on its work only as a disseminator of knowledge obtained through world effort for the purpose of coping with and preventing disease.

I was abused for my views when I was in office, and perhaps I shall be abused for what I say to-night, but I still believe the minister can utilize the machinery of government to disseminate knowledge and to bring it home to the minds of the people of Canada much more readily than by taking a sum of money and handing it over to a particular person. That is my conviction. I may be all wrong, but that is my view with respect to it, and I shall support the minister in any effort he may make in that connection.

The welfare work to which the hon. member for Renfrew South referred is entrusted to an organization under lay leadership. It is quite true that that was done by arrangement and agreement between the government and the organization which is supported by the contributions of insurance companies and other institutions. There is also the aid given by this government. So far as my observations lead me to conclude anything, that work was well done and was deserving of the confidence of the government and the people of this country.

However, do not let us believe that the Department of National Health has not done anything. That department has endeavoured to do at least three things. First, it has to do with the activities and responsibilities which rest entirely with the federal government. Second, it has endeavoured to foster such efforts on the part of the provinces as will assist them to the utmost in carrying on their

campaign in connection with preventive medicine and enable them to cope with disease. Third, it has made efforts toward publicity and toward making known to the people the necessity for hygiene, good air, cleanliness and all these matters that have to do with public health. I think within the financial limits at its disposal this department has accomplished a great deal.

In England the department of public health can deal with these matters because there is no provincial jurisdiction. They do it, but they do not impinge upon the work carried on by the cities and towns. They only lay down the broad principles upon which the work is to be carried on. Wherever you have a unitary system of government, such as there is in New Zealand and other parts of the world, it is very simple for the central power to carry on its health operations. However, where you have a federal union in which jurisdiction is not only held but exercised by provinces or states, in order to deal with these problems there must be a surrender of those powers to the central government before that government can undertake expenditures. Otherwise there would be a duplication of the work and the citizens of the country would be called upon to pay twice for the same services. I think that is axiomatic.

That is the difficulty I have always experienced in dealing with the matter. Unless the provinces have changed their minds during the last few months, they are not willing or prepared to surrender their jurisdiction to the federal power even though the federal power were willing to undertake this work in its entirety, which I do not think any federal government is anxious to do. The very nature of the work lends itself to local administration much better than it does to centralized authority in a country such as this.

I think the minister is to be commended for his efforts to accomplish the purposes he has referred to this evening. I notice the usual grants are being made this year, so the matter need not be further discussed at this moment. Apparently he has concluded that he should stick to the old custom and because of long precedent support the private enterprises which are carrying on this work. However, I think this work could be better carried on either by the provinces or by the dominion. I have not seen anything in what I have read—I have not had the opportunity to read everything—which would indicate that the provinces are willing to surrender their jurisdiction in order that this work might be carried on by the dominion. Until that happens, the federal power must necessarily be exercised to the best of its ability. While there may be lacking that spectacular leadership to which reference has been made, it must be remembered that we are but 11,000,000 people. But we are the heirs to all the knowledge that has been accumulated and is being secured by varying investigations and researches in various countries.

Mr. POWER: I am going to propose that this item be allowed to stand, but before doing so may I express my gratification at the great interest shown by hon. members in these estimates. May I say to my right hon. friend that it would not take very much to bring us both into agreement with everything he has said this evening, even with such observations as he has made as may be considered critical of the work of the department.

Item stands.

DEPARTMENT OF AGRICULTURE

International Institute of Agriculture, $12,000

Mr. DUNNING: It is our desire to have two departments go into supply. As hon. members know, unless a department has gone into supply for the first time on Tuesday it is not possible to go into supply during the balance of the week. By having two departments in supply we may be able to continue with it later on in the week.

Mr. BENNETT: Is this the usual grant to the Rome institute?

Hon. J. G. GARDINER (Minister of Agriculture): This is the usual grant to the international institute at Rome. It is the same as it was last year.

Item agreed to.

Contributions to empire bureaux, $21,535.

Mr. BENNETT: This item is an illustration of the point I was endeavouring to make a moment ago. The knowledge and experience of these various organizations are made available to us. We make a small constribution for the purpose of ensuring that any results arrived at will be available for Canada.

Item agreed to.

Advisory committee on agricultural services, $5,000.

Mr. STEWART: Is this the same amount as was voted last year?

Mr. GARDINER: Yes.

Mr. STEWART: Will the minister explain how the $5,000 was spent last year?

Mr. GARDINER: This vote is to finance committees which will work cooperatively with the provinces in carrying out certain investigations having to do with agriculture.

Mr. STEWART: Are any reports of the activities of this committee available? If so, where are they to be found? In the meantime could the minister give us more details of the expenditure?

Mr. GARDINER: There are no formal reports of the investigations. Meetings were held of the national committee on barley to investigate the different types of barley that might be grown for different purposes, to encourage the spread of certain types of seed and to facilitate the marketing of barley. Those investigations are carried on with different organizations in the provinces. Discussions take place, and the information is available to those who take part in the discussions and is also made available to others, but no detailed report is made in connection with it.

Mr. STEWART: That is all theoretical. What we would like to know is how this money was spent last year and who received it.

Mr. GARDINER: I shall get the details for the next sitting.

Item stands.

Progress reported.

On motion of Mr. Dunning the house adjourned at 10.55 p.m.

Wednesday, January 20, 1937

The house met at three o'clock.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

FARM IMPROVEMENT AND EMPLOYMENT PLAN

Mr. STEWART:

1. Has a farm employment scheme for the relief of single unemployed men been adopted?
2. If so, what is the monthly compensation payable: (a) to the employee, in cash or otherwise; (b) to the employer?
3. What portion of the compensation is payable by: (a) the dominion; (b) the province; (c) the farmer?
4. What provinces have entered into an agreement for the adoption of this scheme?
5. What amount has been paid to each province by the dominion during the current fiscal year to January 1, 1937, under such agreements?

Mr. ROGERS:

1, 2, 3 and 4. Agreements were tabled January 15, setting forth the arrangements entered into between the dominion government and the governments of the provinces of Prince Edward Island, New Brunswick, Quebec, Manitoba, Saskatchewan, Alberta and British Columbia, respecting the farm improvement and employment plan.

5. Nil.

FEDERAL HOUSING ACT—LOANS TO MONTREAL MUNICIPALITIES

Mr. MALLETTE:

1. What loans have been made to date under the Federal Housing Act, 1935, in the municipalities of Montreal?
2. How many loans and what amount in each municipality?

Mr. DUNNING:

1. Up to January 15, 1937, 211 loans amounting to $2,071,670 were made under the Dominion Housing Act in the municipalities of Montreal, (i.e. the municipalities on the island of Montreal).

2. Municipality	No of Loans	Amount
Montreal	98	$1,059,253
Mount Royal	40	396,820
Hampstead	31	290,076
Outremont	17	175,880
Pointe Claire	7	26,466
Westmount	4	45,175
Cote Ste Luc	4	33,650
Verdun	3	13,500
Dorval	2	8,300
Lachine	2	7,150
St. Laurent	2	12,000
Valois	1	3,400
	211	$2,071,670

CANADIAN FARM LOAN ACT—LOAN STATISTICS

Mr. MALLETTE:

1. What number of loans were made under the Farm Loan Act, during the year 1936, in each of the provinces?
2. What was the total amount of such loans in each of the provinces?

Mr. DUNNING:

The following answers are furnished by the Canadian Farm Loan Board:

1 and 2. 1st April, 1936—31st December, 1936.

	Approved		Disbursed	
	No.	Amount	No.	Amount
B.C.	54	$ 103,150	53	$ 104,573
Alta.	343	698,750	377	820,343
Sask.	1,069	2,249,575	999	2,203,619
Man.	413	895,200	464	1,142,156
Ont.	387	790,500	346	678,842
Que.	1,573	3,295,500	1,440	2,863,721
N.B.	64	91,800	66	94,079
N.S.	147	239,450	127	228,801
P.E.I.	109	185,250	107	191,465
Total	4,159	$8,549,175	3,979	$8,327,599

MOOSE VALLEY—KIPLING, SASK., MAIL SERVICE

Mr. COLDWELL:

1. Was contract for carrying mail between Moose Valley and Kipling advertised or tenders invited?
2. Who held this contract in 1934-35?
3. What amount was paid to the above for this service?
4. Has the contract been terminated? If so, when?
5. Has a new appointment been made? If so, who has been appointed?
6. How many applications were there?
7. What tenders, if any, were submitted, and what were the amounts of same?
8. What remuneration is being paid to the present mail carrier?

Mr. ELLIOTT (Middlesex):

1. No.
2. James Farrell.
3. $124 per annum.
4. Contract expired 31st December, 1936.
5. Yes. George L. Taylor.
6. Tenders were not invited. The expenditure involved in this case is under $200 per annum and section 73 of the Post Office Act empowers the Postmaster General in such case to make a new contract without the invitation of tenders.
7. Answered by No. 6.
8. $124 per annum.

CANADIAN FARM LOAN ACT—BROME-MISSISQUOI

Mr. GOSSELIN:

1. How many farmers of Brome-Missisquoi, in the year 1936, have applied for a loan under the provisions of the Canadian Farm Loan Act and amendments thereto?
2. In how many cases were loans granted and actually made?
3. What is the total amount of the loans?

Mr. DUNNING: The following answer is furnished by the Canadian Farm Loan Board:

The records of the Canadian Farm Loan Board are not kept by constituencies and the information asked for is not now available.

TRANS-CANADA HIGHWAY—MONTREAL TO OTTAWA SECTION

Mr. LALONDE:

1. Since July 1, 1936, has the government of the province of Quebec recommended to the dominion government that the location of the trans-Canada highway from Montreal to Ottawa be changed to serve the actual line of highway No. 8 from Grenville to Hull?
2. If so, what is the date of the recommendation?
3. What was the reply of the government of Canada?

Mr. ROGERS:

1. No.
2. and 3. See reply to No. 1.

[Mr. Dunning.]

NATIONAL DEFENCE—PURCHASE OF DESTROYERS

Mr. BERTRAND (Prescott):

1. During the year 1936, did the dominion government purchase two destroyers for national defence purposes?
2. If so, how was the purchase of these destroyers authorized?
3. What price was paid for each of them?
4. To what service will these two vessels be assigned?

Mr. MACKENZIE (Vancouver): In 1928, the government of the United Kingdom lent H.M.C. ships "Champlain" and "Vancouver" to the Canadian government; since that time, these ships have formed part of the Royal Canadian Navy. The government of the United Kingdom decided that these ships, by reason of age and deterioration, were to be rendered ineffective as ships of war, as of December 31, 1936, in accordance with the terms of the London Naval Treaty of 1930. H.M.C. ships "Champlain" and "Vancouver" have been demilitarized and, it is expected, will shortly be disposed of in Canada on behalf of the government of the United Kingdom.

It being necessary to replace "Champlain" and "Vancouver," the problem received very careful consideration, and, on ascertaining that it would take too long to build ships in Canada or elsewhere, negotiations towards finding replacements from the Royal Navy were commenced in 1936.

The price finally agreed upon is $1,000,000 per ship, including armament and stores. The replacements will be named H.M.C. ships "Fraser" and "St. Laurent," and will be commissioned in the Royal Canadian Navy within the next few weeks.

CANADIAN FARM LOAN ACT—LOANS TO BRITISH COLUMBIA

Mr. REID:

1. Since the inception of the Canadian Farm Loan Board, how many applications for loans have been made in the province of British Columbia?
2. How many loans have been granted in the said province?
3. What is the total amount of money involved in the loans made?
4. How many loans have been made to those resident in the lower Fraser Valley, the interior, northern British Columbia, and Vancouver island?

Mr. DUNNING: The following answers are furnished by the Canadian Farm Loan Board:

To December 31, 1936:

1. Applications received, 2,756.
2. Number of loans approved, 682; amount, $1,752,800.

3. Number of loans disbursed, 666; amount, $1,715,860.

4. The records of the Canadian Farm Loan Board are not kept by local districts and the information asked for is not now available.

CANADIAN MILITIA REGIMENTS

Mr. POULIOT:

1. How many regiments are there in the Canadian militia?

2. In such regiments: (a) how many lieutenant-colonels are there; (b) how many honorary lieutenant-colonels are there?

Mr. MACKENZIE (Vancouver):

1.

Arm of Service	Permanent Active Militia	Non-Permanent Active Militia	Total
Cavalry	2	20	22
Infantry	3	89	92
Total			114

2. (a) The respective authorized peace establishments provide for each regiment to have a lieutenant-colonel as commanding officer, who may receive pay for that rank. Grant of such rank is subject to the officer concerned obtaining necessary qualifications prescribed by the regulations. The total number at present appointed is ninety-two (92), including six (6) supernumerary (see note below). The remainder are yet to be appointed under the re-organization.

(b) Each regiment may, under the regulations, have appointed thereto one (1) honorary lieutenant-colonel, who does not receive pay and allowances. The total number at present appointed is fifty-three (53), including one (1) supernumerary (see note below).

Note: The reorganization of the non-permanent active militia has, in certain instances, where two regiments have amalgamated, entailed one of the former lieutenant-colonels commanding, and also honorary lieutenant-colonels, to be carried supernumerary, as a temporary measure, pending absorption or disposal.

EXPORTS TO THE UNITED STATES, 1935 AND 1936

Mr. STEWART:

1. What is the total value of Canadian exports to the United States in each of the years 1935 and 1936?

2. What is the total value of Canadian exports to the United States in each of the years 1935 and 1936 in respect to which no tariff changes were made by the Canada-United States agreement dated November 15, 1935?

Mr. ROGERS:

See statement below:

Domestic Exports from Canada to the United States
(Twelve months ended December 31, 1935 and 1936)

	Twelve Months ended December 31— 1935	1936	Percentage Increase
	$	$	%
Items subject to a reduction in rate	35,723,003	59,281,878	65·9
Items bound at a low rate	3,482,351	4,751,407	36·4
Items bound to free entry	129,813,279	152,775,607	17·7
Total Above Items	169,018,633	216,808,892	28·3
Items not affected by the Canada-United States trade agreement	189,551,103	189,855,675	0·2
Total domestic exports to United States	358,569,736	406,664,567	13·4

MILITARY SERVICE ACT, 1917

Mr. BRUNELLE:

1. Is the Conscription Act, 1917, still in force?

2. If not, when, and how was it declared inoperative?

Mr. MACKENZIE KING:

1. The Conscription Act 1917, which is cited as "The Military Service Act 1917", is not still in force.

2. This act is spent and ceased to be in force after demobilization, following the conclusion of the war and the completion and fulfilment of the consequential provisions of the act. It was noted as being spent in the Revised Statutes of Canada 1927, vol. V.

PACIFIC COAST HALIBUT FISHERIES

Mr. REID:

1. Has the attention of the government been drawn to press dispatches that fishing boats from foreign countries might invade the halibut grounds off the coast of British Columbia, which grounds are being protected under the International Halibut Treaty of 1924, signed by the United States and Canada?

2. If so, have any inquiries or representations been made in connection with this proposed invasion of these protected halibut grounds, either to the United States, Great Britain or any other countries?

Mr. NEILL:

1. Has the attention of the government been called to the proposed operation on the Pacific coast, off the Canadian coast, of mother ships from both Britain and the orient, which would catch both halibut and salmon in large quantities, with none of the conservation restrictions imposed on Canadian citizens?

2. If so, has the government taken any steps to deal with the situation?

Mr. MACKENZIE KING: Mr. Speaker, as these two questions are similar, they may be answered at the one time.

The government are aware of the situation to which these questions refer and have been actively in touch with it for some time. They attach the highest importance to the conservation of these great Pacific fisheries and to the maintenance of the protective measures for halibut fishery which have been gradually developed through many years' cooperation with the United States by treaty and joint administrative action. They look with anxiety upon any activities which might threaten the object of these measures. The matter has been under discussion with other governments concerned for a considerable time, and the government are considering what further representations and action are open to them.

HOUSING SCHEME LOANS

Mr. REID:

1. How many loans have been made under the housing scheme in the various provinces up to December 31, 1936?

2. What is the total amount of money involved in the loans so made?

3. What are the names of the various loan companies cooperating with the government in regard to the housing scheme in the various provinces?

4. How many British Columbia companies are cooperating with the government in connection with the housing scheme in the province of British Columbia?

Mr. DUNNING:

1 and 2.

Province	No. of Loans	Amount	No. of family units provided
Prince Edward Island	6	$ 32,364	6
Nova Scotia	94	420,737	96
New Brunswick	12	45,179	13
Quebec	231	2,233,394	467
Ontario	359	2,104,085	418
Manitoba	12	100,564	12
Saskatchewan	nil	—	—
Alberta	nil	—	—
British Columbia	10	31,500	10
	724	$4,967,823	1,022

3. Sun Life Asurance Co. of Canada, Montreal, P.Q.; London Life Insurance Co., London, Ont.; North American Life Assurance Co., Toronto, Ont.; Mutual Life Assurance Co, of Canada, Waterloo, Ont.; Great-West Life Assurance Co., Winnipeg, Man.; The Northern Life Asurance Co. of Canada, London, Ont.; Canada Life Assurance Co., Toronto, Ont.; Confederation Life Association, Toronto, Ont.; The Equitable Life Insurance Co. of Canada, Waterloo, Ont.; The Manufacturers Life Insurance Co., Toronto, Ont.; The T. Eaton Life Assurance Co., Toronto, Ont.; The Grey & Bruce Trust & Savings Co., Owen Sound, Ont.; Community Trusts Corporation, Chatham, Ont.; The Sterling Trusts Corporation, Toronto, Ont.; Capital Trust Corporation, Ltd., Ottawa, Ont.; The Premier Trust Co., Toronto, Ont.; Guardian Trust Company, Montreal, Que.; Osler & Nanton Trust Co., Winnipeg, Man.; The Ontario Loan & Debenture Co., London, Ont.; The Central Trust Co. of Canada, Moncton, N.B.; The Waterloo Trust & Savings Co., Kitchener, Ont.; Canada Permanent Mortgage Corporation, Toronto, Ont.; Guelph & Ontario Investment & Savings Society, Guelph, Ont.; National Trust Co. Ltd., Toronto, Ont.; Sherbrooke Trust Co., Sherbrooke, Que.; La Caisse Populaire de la Cite de Shawinigan Falls, P.Q.; The Western Savings & Loan Association, Winnipeg, Man.

4. No companies incorporated under the laws of British Columbia are cooperating with the government in making loans under the Dominion Housing Act in the province of British Columbia.

CANADIAN FARM LOAN ACT—LOANS TO SASKATCHEWAN

Mr. FLEMING:

1. What is the total number of loans granted in the province of Saskatchewan, from October 14, 1935, to January 18, 1937, under the Canadian Farm Loan Act?
2. What is the largest individual loan that has been granted?
3. How many loans have been granted in the electoral district of Humboldt?
4. What is the total amount of the said loans in the Humboldt electoral district?

Mr. DUNNING: The following answers are furnished by the Canadian Farm Loan Board:

1. October 14, 1935, to December 31, 1936: Approved and disbursed or in process of disbursement, first mortgage, number 1,882, amount $3,550,550; second mortgage, number 1,163, amount, $702,275; total, $4,252,825.

2. $5,000 on first mortgage; $6,000 on first and second mortgage.

3 and 4. The records of the Canadian Farm Loan Board are not kept by electoral districts and the informtaion asked for is not now available.

FARMERS' CREDITORS ARRANGEMENT ACT—SASKATCHEWAN

Mr. FLEMING:

1. How many cases have the present board of review under the Farmers' Creditors Arrangement Act dealt with in the province of Saskatchewan?
2. How many cases have they heard so far?
3. What is the total amount of debts that the present board of review have reduced since they came into office?

Mr. DUNNING:

1. Cases referred to present Saskatchewan board of review from date of appointment, August 17, 1936, to January 16, 1937—828.
2. 310.
3. Debts reviewed, $2,554,031. Reductions effected, $1,139,770.

NATIONAL REVENUE—$100 EXEMPTION REGULATION

Mr. ISNOR:

In connection with Item 703 (b): "Goods valued at not more than a hundred dollars included in the baggage accompanying residents of Canada returning from abroad after an absence from Canada of not less than forty-eight hours, and acquired by them for personal or household use, etc."

1. Has this section been enforced in regard to children, irrespective of age?
2. Have any amendments been considered by the Minister of National Revenue?
3. Has action been taken as suggested under date of May 27, 1936, when this item was under discussion, to fix the age limit at sixteen?

Mr. ILSLEY:

1. No.
2. No amendments have been considered, pending review in the light of experience gained after the item has been in actual operation over a period of a year.
3. Under regulations prescribed by the minister and published in departmental memorandum dated June 9, 1936, the exemption from duty provided in tariff item 703 (b) is not granted to any person under the age of fourteen years.

QUESTIONS PASSED AS ORDERS FOR RETURNS

PREFERENCE FOR EX-SERVICE MEN

Mr. POULIOT:

1. Have those who were on active service overseas, or on the high-seas on a man-of-war, or in the armies or navy of an ally of His Majesty during the Great war, been accorded a preference in the civil service examinations of Canada?
2. If so, since when and how many of such candidates have secured, under this preference, positions in the Canadian civil service?
3. Have any allied countries of His Majesty during the Great war, accorded a similar preference to Canadian candidates for the civil service of those countries?
4. If so, what countries, and since when?

CANADIAN MILITIA—HONORARY LIEUTENANT-COLONELS

Mr. POULIOT:

1. What are the names and addresses of the honorary lieutenant-colonels of the Canadian militia?
2. (a) On what date was each of them appointed; (b) for what record of military services, and (c) upon whose recommendation?
3. What are their functions?
4. What formalities are required for the appointment of an honorary lieutenant-colonel?
5. Are they supplied with uniforms and arms by the state?
6. If so, with what uniforms and what arms, and what is the annual cost for each individual?
7. Are the honorary lieutenant-colonels required to pay a tax, or any contribution or honorarium to the state in such capacity?
8. If so, is same paid before or after their appointment has been published in the Canada Gazette, and how much?
9. What do the honorary lieutenant-colonels cost the country?
10. In their capacity as such, how much do they pay to the state?
11. What services have the honorary lieutenant-colonels, as such, rendered to the state to date?

MOTIONS FOR PAPERS

ABDICATION OF KING EDWARD VIII—CORRESPONDENCE

Mr. WOODSWORTH:

For a copy of all correspondence, telegrams, cablegrams, memoranda and other documents exchanged between the Prime Minister of Can-

ada or any Canadian official and the Prime Minister of Great Britain or any official or representative of the British government or crown, regarding the proposed marriage and abdication of His former Majesty, King Edward VIII, or the succession to the throne, and accession of His Majesty King George VI. Also a copy of all orders in council relative to the above matter.

Mr. MACKENZIE KING: Mr. Speaker, I have already placed on the table of the house much of the information asked for in the motion. In addition I have given the house a detailed statement of what there was in the way of correspondence, and I do not believe it would be in the public interest to table any more documents. May I point out to the hon. member that no similar request has been made in the British House of Commons, nor have the parliaments of any other of the self-governing dominions with which I have been in touch thought it necessary or advisable to table the correspondence. The correspondence was not a one-sided matter concerning only this government, but concerned all other governments of the empire, and for these reasons I suggest the motion should not be passed. I hope the hon. member will not press it.

Mr. SPEAKER: Dropped.

POSTAL SERVICE—HOURS OF LABOUR

Mr. HEAPS:

For a copy of all letters, telegrams, correspondence and other documents, concerning the changes in regulations respecting hours of labour and working conditions in the dominion postal service.

FALHER, ALTA., POSTMASTERSHIP

Mr. PELLETIER:

For a copy of all letters, telegrams, affidavits, evidence, correspondence and other documents, dated during the past eighteen months, concerning the dismissal of the former postmaster at Falher, Alberta.

PUBLIC HEALTH

PROPOSED CONTROL OF ATHLETICS AND PHYSICAL AND RECREATIONAL TRAINING

Mr. H. J. PLAXTON (Trinity) moved:

That, in the opinion of this house, in the interests of public health there should be established a ministry of sports.

He said: Mr. Speaker, since giving notice of this resolution I have revised my opinion as to its wording, to the extent that if the resolution were to propose that the control of athletics and of physical training in this country be a branch only of, say, the Department of Pensions and National Health, my general purposes would be served. I am not seeking an amendment to the resolution as it now stands, however, for the reason that such an amendment would not alter or affect the general purport of my remarks.

For reasons which I shall submit, Mr. Speaker, I consider that the time is ripe for this government to consider the advisability of assuming control of athletics and physical and recreational training in this country on a national basis consistent with the constitutional authority therefor, and otherwise to cooperate with the provincial governments in a like scheme. Obviously the matter of a nation's health is of the greatest importance, and this question has commanded the attention of some of the leading countries in Europe and Asia. In France there is actually a ministry of sports. In Czechoslovakia there is a highly organized branch of the government which for some years past has been devoted to a national scheme of physical training, and I assume it is more than general knowledge that similar systems are in force in Germany, Russia and Japan. What is more significant still, however, and what I think will be of greater interest to the members of this house, is the fact that in the speech from the throne at the recent opening of the British house this very subject was given special prominence. I happened to be present at debates in both houses when the matter was debated extensively, or, if I may so describe it, when the nation's ill health was discussed at some length. Logically enough, the subject was closely identified with athletics and physical training in all its branches.

I mention this because it is my considered opinion that Great Britain and the other European countries which I have just named are keeping pace with the fast changing conditions in the world's economic and social life by adopting legislation such as is proposed by this resolution. Further, it is my opinion that it is high time for this government to consider the adoption of some national scheme of physical training for the people of this country.

Let us examine our local situation as it exists in Canada to-day. It is true that as Canadians we are a people who have been reared with an athletic background. Two of our Canadian games—I refer to hockey and lacrosse—are now international in their scope and are played in most of the leading countries of Europe. That this is so to my mind indicates two things. One is the active world interest that is now displayed in physical training; the second is the sporting atmosphere in which we Canadians have been

reared. I mention that for this reason, that any scheme which contemplates the improvement of the health of the people of this country on a national basis necessarily must be associated with athletics in all its branches, and to that extent, consistent again with the constitutional authority that may exist, we must assume control of athletics in this country.

This brings me to a consideration of our local problem with regard to amateur sports. In Canada to-day the control of amateur sports has been appropriated by groups or associations, self-constituted in their authority, which generally speaking owe allegiance to no one, and which within the confines of their particular sports are virtually dictators, even as to the locality in which the sports may be carried on. The result, I submit, is chaotic if we are to look for any attempt on the part of those associations to cooperate not only between themselves but with the public and the governments of this country. Likewise it may be said of amateurism that several of the prominent gate-producing games—that is, games which the public pay money to see—have developed into something of a racket as far as the contestants and the managements are concerned. I must add, however, that the situation in this regard is not too alarming, and that it could be cleaned up by legislation such as is proposed by this resolution. But I must reaffirm this statement, that any scheme for improving the health of the people on a national basis, involving physical and recreational training, necessarily involves a control of athletics. I can qualify that statement by saying I would not contemplate the exercise of such control with respect to particular sports except in so far as it may be deemed necessary to the furtherance of the general scheme.

There is one phase of amateurism with regard to which I must make some comment. I refer to Olympic games and other international contests. One has only to recall the lamentable showing of our Olympic representatives at the games last year, and particularly the fiasco involving our hockey team, with all the well deserved, well merited unfavourable criticism that the games inspired, to realize the force of my remarks. Consider the methods by which the contestants were chosen, the sectionalism displayed in that connection, the action of those in charge both in Canada and abroad, the almost total failure of our representatives to win anything, and finally, the crowning blow, the losing of our hockey title—and all this, mind you, at a considerable cost to the taxpayers of this country. Need I say more, sir, to convince hon. members of this house that the time is long past when any athlete or group of athletes who presume to represent Canada in Canada's name should be permitted to do so in any international contest without proper supervision and control by someone responsible to this government.

In opposition to this proposal someone may bring up that old catch word "regimentation." In that connection I may say that in our provincial system of education one finds the perfect example of regimentation. The cry may be raised: "Do not regiment the young people of this country into a measure of physical fitness." Well, I submit that argument is untenable and inconsistent, and I will leave it at that. Others may advance as an argument the catch word "cannon fodder." They seem to feel that there is in this proposal a sinister attempt to establish a scheme to permit peace time military training of the young men of this country. My answer to that is that if the question of the defence of this country should ever arise, it would be preferable to have an army in the highest state of physical fitness rather than one of which the reverse is true. Likewise, is it reasonable to say that because we are training the young men of this country to a high standard of physical fitness they are necessarily being trained for war or will necessarily go to war?

Finally the problem boils down to one of the nation's health. I do not intend to burden the house with facts and figures in that connection. Some people may say, we are a healthy race; why worry? Perhaps that is so, but let me point to a startling discovery which the British authorities made in recent months. I find in a long editorial which I clipped from the London Times of November 12 last dealing with the nation's physique a few statements which I think will be of interest to the house. The opening paragraph reads:

> The policy of improving the nation's physique, as foreshadowed in the king's speech, seems to have captured the popular imagination to a remarkable degree. Both houses of parliament have made it one of the main features of the first debates of the new session, and many authoritative correspondents in these columns have made constructive suggestions for perfecting a project of which they all approve.

Then further down:

> The second fact brought out in debates and in correspondence is the existence of a general agreement that the present standard of the national physique is far from satisfactory.

And a third statement is:

In the case of the city slum some fifty years of partisan pondering failed to effect the cure which five years of united national effort is now certain to provide. In the case of the body slum it is natural that success should come more slowly; but it will come beyond a doubt if it is fostered by the same spirit.

Yes, we might be shocked if we saw a true picture of this country's condition as far as health is concerned. One need only look at the hundreds of hospitals and sanatoria full to the roof to make us apprehensive of the true condition. Then we must also realize that thousands of our fellow Canadians during the last six or seven years have been obliged to live on relief and in idleness. That situation to my own personal knowledge, particularly in urban centres, has induced considerable ill health amongst those unfortunates.

In the final analysis however the situation can be summed up by stating that whatever the present conditions may be in regard to the health of the nation, they can be improved vastly by the adoption of a national scheme of physical training, rather than continuing the haphazard state of things which now prevails.

I have not attempted to exhaust this subject. The resolution in its present form is perhaps not a practicable one, but I hope I have dealt with the matter at sufficient length to commend its general principle to the earnest and serious consideration of the house.

Mr. GORDON GRAYDON (Peel): Mr. Speaker, I desire in joining in the debate on this resolution first to comment on the qualifications, which I think must be obvious to all in the house, of the hon. member for Trinity (Mr. Plaxton) to deal with matters of sport. They are well known to all who come from that section of Ontario, or for that matter, anywhere in the Dominion of Canada.

I congratulate the proposer of this resolution not only upon having brought to the attention of the house the matter of public health and sport, but also upon the experience and knowledge which he has with relation thereto.

As the hon. member who proposed the resolution so aptly said, two of the great international sports with which Canada is particularly identified are hockey and lacrosse. Lacrosse, we all know, has been regarded for many years as Canada's national game. When William Perkins Bull, K.C., the historian of the county of Peel, wrote a year or more ago a delightful volume entitled From Rattlesnake Hunt to Hockey, he referred to the town of Brampton, the county town of Peel, as the cradle and nursery of that great game. It is therefore with particular pleasure that I take part in this debate. In addition I might point out that the county of Peel has the same name as the great Cumberland huntsman John Peel, whose name is familiar in poetry and song.

In the year 1914 the lacrosse club of Brampton took a forward step in going to Vancouver to challenge and do battle with the Vancouver lacrosse team for the championship of the world. Defeated by a narrow margin then, they challenged again in 1930 and defeated the New Westminster club, winning the highest honours in the world of lacrosse. Since that time of course a change has occurred in that great game; instead of having a twelve-man game we now have box lacrosse. That perhaps is not nationally so well known, but in my county night after night throughout the spring, summer and fall, large numbers of Peel people are not only spectators of the game but actually participate in it. Many in the house will recall the great battles which have taken place in the past between the Brampton Excelsiors and teams from Orangeville, Weston, St. Catharines and towns in the vicinity of Toronto and elsewhere. These are things which come back to the memories of many hon. members, and bring to our attention the importance of this sport in our national life. I would also be remiss if, bearing the name of Graydon, I did not make some mention of the old Toronto Tecumsehs, who in years gone by, with the Nationals of Montreal and the Torontos, staged so many great battles for the lacrosse crown of that time.

In considering the many types of physical training and the advancements which have been made in methods of fostering the health of our citizens, we should not forget to mention the great work being done throughout the dominion by the Young Men's Christian Association. That organization is doing an effective job in promoting better health and providing facilities for exercise and recreation for our young people. I think the government should encourage such organizations.

The service clubs are not far behind in the promotion of good health. In our own town of Brampton the Lions Club has done splendid work in a centre where there has always been much activity in connection with sports. This summer they were able to finance a swimming pool which will be constructed in the Swinburne memorial park.

The hon. member for Trinity has referred to the importance of the health of our people and I suggest to the Minister of Pensions and

National Health (Mr. Power) that the matter of medical examination is also very important. As was stated in the debate last night, a number of insurance companies are already conducting intensive surveys among their policyholders in this connection. I would not be living to-day were it not for the fact that when I was much younger I had a medical examination which revealed a weakness which after some time was successfully corrected. For that reason, among others, I have a special interest in this matter. The hon. member for Trinity has suggested the systematic training of our people, but I would consider it no less important that we should have as well a proper inventory of our resources of physical health.

If the Minister of Pensions and National Health will give careful and studied attention to the matter which has been brought up this afternoon I feel sure that more of our people will be given the opportunity and encouragement to play at healthful sport from time to time. I can speak from personal experience of the need of such a move, because I am one of those who do not take sufficient exercise. To-day we do not seem to have the time to exercise. There is the keen competition in business and the fact that we use our cars so much. Some will almost use a car to go from Wellington street to the Peace Tower. Such practices are devastating to our individual constitutions and have an adverse effect upon our national life. In certain centres of this dominion we find many thousands of people watching no more than twenty men put on a performance in one of our national games. That would not be so bad if we could or would walk to see the games, but sometimes we simply sit in our living room and listen to the radio and get no exercise at all. These are things that should be brought to the attention of the people of Canada, because they have a very important bearing upon our national well-being. As the hon. member for Trinity has said, we are a hardy people and with our healthful climate there is no reason why we should not hold a very high place in every sport that is played.

I am glad to note that the hon. member has not carried out his original proposal that a ministry of sports should be established. I do not think the present position of the taxpayers of Canada would permit that move being taken at this time. I think the hon. member's motion has been worth while even if it does nothing more than draw the attention of the government and the people of Canada to a very important matter with respect to our national health. If the very impressionable Minister of Pensions and National Health is able to work out something whereby he can provide additional facilities and encouragement along this line, we shall at least have made an auspicious start in a work which I believe to be most important to the people of Canada.

Mr. DANIEL McIVOR (Fort William): Mr. Speaker, I take part in this debate because I am still a youth. I have played at most of the games that are played in Canada, and I have received great benefits from such participation. I congratulate the hon. member for Trinity (Mr. Plaxton) upon bringing this matter before parliament. Anything that concerns the use of leisure time is of great importance to our citizens. We have an eight hour day in organized labour and I expect that that will soon be cut down to a six hour or perhaps a four hour day. We are then faced with the question of whether this leisure time will be spent in places of a questionable nature or out in the open air.

I should like to quote a great athlete of days long gone by. St. Paul said that it is absolutely necessary for us to keep our bodies in shape. Many of our youths are taking part in athletics. I should like to give an instance of some junior hockey players in that noted centre of sport, Fort William. Two players, Bill Grant and "Fire" Parsons were coming home from a hockey game. They were on their way to have lunch when they found a pocketbook containing $81 in cash, some cheques and other things. Instead of going to have their lunch these two young men walked to the other end of the city to give the owner back his money. That sort of thing on the part of our youth is nothing less than heroism. Many of our boys get their names into the papers for other reasons, but when they show themselves to be absolutely honest it gives great promise and hope for the future of our youth. I happen to be the chaplain of that team and I am happy to be able to report that there is not a smoker on the team.

The benefits which come from outdoor sports are quite evident. Last year when I urged the leader of the government (Mr. Mackenzie King) and the leader of the opposition (Mr. Bennett) to assist us in having a little recreation, both of these old time athletes stated their willingness to do the best they could. I feel sure that the mover of this resolution is going to have splendid support. We must remember that those who

take part in games learn to keep their tempers; they learn to have definite aims, and they learn to come back when they are beaten.

I think the resolution in its present form is well worthy of consideration. Our athletes should be placed in a position where those of them who are not able to buy a hockey stick or a pair of skates should be assisted and encouraged. Many of us are limited in our means but our country is not limited, and I believe that one of the outstanding arguments in favour of this motion is the necessity, now that we have so much leisure on our hands, of training our youth in sports and physical exercise, and as well our middle-aged and some of our older people who need to work off fat into bone and muscle and brain energy.

Mr. T. L. CHURCH (Broadview): Mr. Speaker, I am glad that the hon. member for Trinity (Mr. Plaxton) has brought up this question. He has not brought it up in exactly the way he first proposed, and as was announced in the sporting press of the country. His first proposal was that we should have an athletic commission with jurisdiction over amateur and professional sport all over Canada. That was announced in the press, and it was not favoured by the sporting editors of the country inasmuch as this parliament would have no jurisdiction, property and civil rights being a matter for the provinces.

The hon. member for Trinity is an active sportsman. He was a member of the Varsity hockey team that went out to Vancouver and brought back the Allan cup in 1927 and was a splendid type of sportsman. When he came to me and talked this matter over early last session, because I had a motion before the house with respect to national health and physical welfare, I told him that I would gladly give way to him because I knew he was a sportsman. But he did not have the right idea about this question at that time. We talked the matter over and he told me that he would bring it up in a bill last session. It was not on the present lines and had no relation to health.

Last year I drew to the attention of the house the friction over sending Olympic teams to the old country, which was causing a great deal of international discord. At that time a big row was in progress over sending our hockey team from Moncton over to the Olympic games. It was a very fine team, and because I considered that the maritimes got a very raw deal from the hockey authorities I brought the matter before the house. Let me give the house a few of the headlines that appeared in the press at that time:

British and U.S. officials engage in heated argument—Olympic committee finally lifts ban on Canadian players on English team at request of Canada. Dominion and old country will meet to-morrow.

This is another heading:

C.A.H.A. president, E. A. Gilroy, charges overseas hockey is "racket"—Dissension revolving around the eligibility of two English hockey players is renewed with mounting bitterness, and four European teams are ready to protest England's victories because of Foster and Archer. Second gold medal to Germany.

Again:

Canada ready quit Olympic hockey games. Claim play-off system will put team at disadvantage. New bombshell hits tournament.

Maple leaf squad will withdraw unless rule is rescinded.

These are all headlines on dispatches from the front. This is another one:

Olympic boys very peeved. Hand out blasts against officials in charge of team.

Such were the dispatches that came from the Olympic hockey games last year, and undoubtedly it caused a great deal of friction in the old country and in the British Empire.

As I said, the hon. member for Trinity wanted, first of all, to have an athletic commission with jurisdiction over amateur and professional sport all over Canada, but that would not have been within the jurisdiction of this parliament. I urged upon this house last year that it would be far better to stay out of the Olympic games because there was nothing but rows before our teams went over, rows when they got over there, and rows when they returned. It caused a great deal of international bitterness, and it would have been far better for us to eliminate the Olympics and stick to the British Empire games. There is, in my opinion, very little sport for sport's sake in the Olympic games.

I had a resolution on the order paper of March 31 of 1936 reading as follows:

That, in the opinion of this house, a select or other committee of the house should be appointed to consider and report on making recreation and sport a national branch of government, and of the state under the Minister of Health, to not only promote national health and the physical welfare of the people, but also with a view to the upbuilding of a more healthy race, to aid them to better meet the many social changes of the age, and to promote good citizenship, in conjunction with provincial and municipal authority.

Subsequently, after the hon. member for Trinity came to me and talked the matter over, I told him that it would be all right with me for him to take over this matter

and bring it before the house. As far as the resolution now before the house goes, it refers, and quite properly, to health, and in that connection I wish to quote from two eminent authorities. Lord Dawson of Penn recently warned the students of Guy's Hospital Medical School of our progress towards national suicide. He said:

> The problem of rearing a fit race transcends in importance all other domestic questions. By the improvement of medical knowledge and by the quickening of the public conscience, we have cut down the death-rate and thereby enabled to survive many unfit people whom in the old days nature eliminated. This bad stock is a dead-weight on the nation. These people are passengers in the national omnibus, and if they propagate, which they do not hesitate to do, the damage they inflict is carried on to future generations. No policy which aims at raising the national physique can succeed if it does not take cognizance of these biological facts.
>
> Our piecemeal social policy has no coherent purpose, and is too much shaped by expediency. There is not behind it the study of scientific law and biological facts on which alone the health of a people can be founded. Falling death-rates are only matters for congratulation in proportion as they denote the preservation of people healthy enough to enjoy life and effective enough to be sound workers and sound players.

That was from the king's physician. This is what Lord Horder, one of the most eminent physicians in the world, says as to the necessity of health:

> A national stock-taking shows some unpalatable facts. In this country, one in 120 persons is feeble-minded, one in 200 is insane, one in 10 is too dull or too sickly to be absorbed into industry. The expense of educating and caring for these inefficients is enormous, but more serious is the fact that the future stock is being recruited from them.

The writer of the article from which I am quoting goes on to say in the English Review, December, 1936:

> We were warned also in 1934 by Sir George Newman, then Chief Medical Officer to the Board of Education, who wrote in his annual report on the health of the school-child: "The exceptional saving of infant life since 1910 has added to the population thousands of young children who under different circumstances would not have survived. If we are saving as many physically and mentally enfeebled children, it is obvious that we must anticipate a heavy burden of defective children in the schools at five years of age. . . . When we come to observe 100 children of the age of twelve years in an average elementary school, we shall find that 75 per cent of them reveal more or less serious defects."

The writer of the article goes on to say:

> These terrible words, coming from men who command the greatest respect and authority, must force us, unless we are consciously and deliberately bent on national decay, to revise not merely our ideas about the so-called social services but the very foundations of our morality.

These are the opinions of two of the most eminent medical men in the world.

While I shall speak for only five or six minutes longer, I want to take time to pay tribute to our Minister of National Health (Mr. Power). He is an old sportsman; he commanded a Toronto company at the front, and he is respected in that city by the rank and file of soldiers and sportsmen. He is also an old hockey player. Like the hon. member for Trinity, I have every confidence that the minister will take up this matter of public importance and others which deserve careful consideration by this house.

Anglo-Saxons are a sporting race. As has been said, on the green fields of Eton Waterloo was won; and the first duty of a government is to look after the health, peace, prosperity and welfare of its people. In the motherland, Mr. Speaker, they take part in sport the way you used to do. One might say that everybody there is a sportsman. The men, women and children of England have been born and bred in a love of outdoor life, though it may be only walking, or cross country riding, or some similar exercise. They are not content to be mere spectators. The whole British Empire has followed their example, with the result that it has commanded the admiration and respect of the world. To-day England is recovering because of the health of her people, fostered by their love of sport; she is leading the world in many ways, such as in balanced budgets, in tariffs, in recreational schemes, in reconstruction, and to promote recovery, she has also a housing policy, which, as the Minister of National Health mentioned last night, is a most important matter, related to public health.

A country does not belong solely to those who live in it to-day; it is an inheritance from the past; it is a possession for the present, and a trust for the future. As far as our country is concerned I would pay tribute to the Ontario high school, public school and separate school coaching teachers in sport who are taking care of the children after hours, doing volunteer work to develop the physique of our future citizens. I was sorry to see cadet training abolished, because it had a great influence on public health; it led to respect for authority, discipline and manliness; it was, as I see it, not a military organization, but a means of physical development. Many of our people are beneficiaries of that system; it has the support of reliable medical authority, and it has done good work in Ontario.

When I was on the board of education there was a considerable need of public playgrounds in Toronto. We got an intercollegiate union formed of the public schools and the high schools. When I became controller there was hardly a civic playground in Toronto except Moss Park and the Osler playground. We took over those two playgrounds and we made the work part of the parks department. The public parks then were run largely on the principle of "keep off the grass" and that sort of thing; thousands of dollars were spent, and nobody could play in some of the parks. That system was changed. The greatest asset of such a department, as I see it, is the recreational feature, not only for the sake of the school children but also for use for playing games after working hours, in connection with daylight saving, in industrial districts.

This is a work in which the press could help if it would, but of late years three-fourths of the space in the newspapers has been devoted to professional sport. After all, the amateur plays the game for the love of it, to win it if he can in a fair way before the eyes of all men. I am not opposed to professional sport if it is well conducted. I believe that it is the duty of this parliament—because there is concurrent jurisdiction between the dominion and the provinces in connection with education, health and many other matters—to do something, through the Minister of National Health, along the lines of this resolution. The late Doctor Hastings, a great medical officer who became known over the whole of North America through his battle for public health, was very strongly of that opinion. I hope that before long the federal Minister of National Health will put into effect a policy of making grants for this purpose. I would not give these grants to the provinces, because they would put it into their pockets for provincial purposes. These grants should be paid to the boards of education, the high school, separate school and public school boards and municipalities of the country, through a federal commission or subcommittee appointed by the minister, with the object of developing the physical condition of the youth of the land by direct federal aid. Military training is practically abolished, even from our city schools in Toronto. We have a great many doctors on the Toronto board of education. Some are distinguished medical men and dentists, but others are rather like honorary colonels; they are doctors of all kinds, doctors of theology, music, law and pedagogy; in fact anybody who is a trustee and cannot call himself a doctor had better qualify by the next meeting. However, we have a most progressive board of education of good men in Toronto, one second to none in the dominion. They give a great deal of time voluntarily to their work, but I may add that while I did not agree with their action in abolishing the cadet training, they are doing the finest work in education.

I have said that the press in the sporting pages could help, but for the last few years it has paid very little attention to amateur sport. You do not see much about university and high school participation in sports, but you can read pages of stuff about "pro" sport in its various forms. I am not opposed to professional sport when properly conducted; the public believe in it, and it has come to be a necessity. But I do contend that we should have a national policy of recreation and games, not only in respect of playgrounds, as I have indicated, but also to promote a national parks system that will develop our outdoor life as the British people are doing in the British isles. The government owns large tracts of land. It has practically no federal park in Ontario, which can be linked up to Trent lake, Simcoe, Georgian bay, Muskoka and right to the Lake of Bays and Algonquin park. The dominion owns a great deal of land, and a fine people's playground for the province could be created; it would benefit the hospitals and help develop the youth of the land. A similar scheme could be adopted in all the other provinces.

In conclusion, as regards these Olympic games, I am not in favour of any more grants to them, for I think they do more harm than good. There are too many governing bodies in sport, and too many concerned with it who are not connected with any club at all. Olympic games are held each five years; then they subside, and you hear nothing about them until another comes along.

Where is our national game, lacrosse, to-day? It can revive itself; it does not need any reviving. It is a sport that used to be followed in the schools, and is yet played in Toronto.

With regard to cricket, a great deal of good was done by the visit to the old country of the Canadian team, and the credit is due to a former member of this house. The game of cricket is one of the few remaining games which at this time has not been professionalized.

I suggest that a committee of the house might collect information along public health lines, and might consult with boards of education, boards of health and other provincial

bodies in an effort to find out what should be done. There can be no doubt that in the years to come the physical development of our youth will be one of our most important problems. That point is brought out by Lord Dawson of Penn and Lord Horder.

A few days ago I was reading an article written by a German educationist. I believe the gentleman in question has written a book which is available in the library, English Review, December, 1936, new book review. In his observations he referred to the decadence of the British race. He says that one Englishman is an idiot, two are a football game and three are the British Empire. Another German author has said that where there is one Englishman, there is the British Empire. We have to take our hats off to old John Bull, and must respect the way he plays the game. We know he plays it for the love of it, and before the eyes of all men.

When I was a member of the board of health for the city of Toronto, Doctor Hastings came into the life of our city, and it was at that time we made our playgrounds the finest on the continent. We know that an ounce of prevention is worth a pound of cure, and especially is that true among the youth of our land.

The youth of Canada are a credit to the country, notwithstanding the depression and the hard times through which the fathers who are sending them to school have had to pass. Many of those fathers have had to sacrifice some of the necessities of life in order to be able to send their children to school. The parents of the children in our schools are among the finest sportsmen in the dominion, and I hope the time is not far distant when Canada may have a proper national health department,—not a skeleton department locked up in a cupboard like Old Mother Hubbard's. I am not for one moment reflecting on the splendid deputy and assisting officers in the minister's department. I have known them all my life and have reason to believe that they are able physicians and educated men who stand most high in ability in their profession. Nevertheless I should like to see these officers supported in a national department which would be a real department of health and which would consider different methods of bringing about better health among our people. We realize that this is one of the most important problems we have to face as a people.

I suggest the minister might well consider the matter which has been placed before him by the hon. member for Trinity. A committee could be appointed to go into the matter of national public health, and should be instructed to develop a proper public health department. We know this work has been left on the shoulders of the municipalities. The city of Toronto has developed a great department which has cost the taxpayers a large sum of money, but the results have been excellent. When the department was originated we had none of the modern means of preserving public health, such as those to which the minister referred last night. Milk has to be inspected, and special precautions are necessary in connection with food and other matters. Although the officers who preceded Doctor Hastings were all most excellent men, with the help they got, yet it was Doctor Hastings who developed the modern health department of Toronto and expanded it. As the right hon. leader of the opposition (Mr. Bennett) said last night, much of the health research work is now done by the universities, private philanthropists and municipalities. But the municipalities will have to place the burden on real estate, and real estate can stand the burden no longer.

Life is not worth living unless there is health. No matter how much money a person has, he is poor unless he has health. To-day the government is spending $2,000,000 on the health of animals, but only $500,000 on the health in Canada of ten million individuals. I say the municipality must be relieved of some of the real estate burdens. If we are to develop the hardy race to which reference was made by the two gentlemen to whom I have referred, we must have help from parliament given to the municipalities in connection with public health.

Last night we heard a good speech from the hon. member for Renfrew South (Mr. McCann), and with his observations I fully agree. Out of all the moneys that are being collected through taxation, do hon. members know how much the city of Toronto will receive? Well, from the main estimates we are to have $17,000 to be spent on the eastern gap, and a few extra dollars for revolving doors and other repairs on the post office, or a total of $20,000. That is what the city of Toronto, in which there are Liberals as well as Conservatives, is to receive, and the federal government get $90,000,000 in revenue from that city.

In Toronto we maintain a first class life saving station, and at times we have to send our crews as far as Georgian bay and other outlaying sections, all at the expense of the Toronto taxpayer. In the time of Doctor Hastings we were able to make progress in

health measures because there was a city income tax, as an exclusive field from 1867 to the municipalities. Then the dominion authorities came into the field. Public health costs money, and I say the municipalities and real estate cannot carry the burden any longer. Boards of education cannot do it. We must have some support from the federal department of health.

The minister, I believe, would do well if he could see his way clear to read into the resolution what was suggested last March in something I had placed on the order paper. I believe a committee of this house or of both houses should consider the matter of national public health in all its phases, as it has been done in England. Many of our families have been seriously injured by the depression, and because of it some are on relief. Despite their difficulties, however, we must admire the way our industrial workers have carried on in sending their children to the high schools of Toronto. I believe parliament would be doing them a good turn if it were to appoint such a committee as I suggested last March.

Mr. T. C. DOUGLAS (Weyburn): Mr. Speaker, I shall require only a few moments to place before the house the views of the group to which I belong. First of all I should like to congratulate the hon. member for Trinity (Mr. Plaxton) upon bringing this matter to the attention of parliament. It is an old saying that the battle of Waterloo was won on the playgrounds of England. It is true that many of the battles of life are won on our playgrounds.

I am intensely interested in sport, and I should like hon. members to understand that anything I may say is not said because of a lack of appreciation of sport but rather because of a recognition of the part sport, in conjunction with other factors, must play in the building of our national life. First of all may I say I am glad the mover changed the motion so as not to ask for a ministry of sport. In the amended motion he asks only that the Department of Pensions and National Health shall incorporate the ideas he has put forth into its work of enhancing the health of our people.

There are two points I suggest we ought to bear in mind: First, to a great extent the matter of health and the development of sport and recreation is in the provincial field, and the physical training mentioned by the mover is carried on chiefly by the provincial education and health departments. Further, to a great extent sport is supervised by provincial athletic organizations. To set up now a national body that would tend to overlap would be simply to infringe upon another field. Of course the Department of National Defence sets aside a certain amount of money for cadet training. If the government would consider the feasibility of spending that money for the development of athletic clubs I for one believe it would go further in promoting the general health of our people than it goes as we are now spending it. I do not think a sports ministry, or even to have the Department of Pensions and National Health handle a national program, would be feasible. I believe the question of sports is largely a provincial matter, and one that should be handled by the provincial departments of education and health.

I do think there may be a place for a commission on cultural development, which might seek to promulgate national drama, national musical festivals and some type of national recreation. But when we come to consider the feasibility of spending a sum of money on a sports ministry, or even a sub-department of sports under the minister of health, it seems to me there are one or two other things that should be considered also, not because sport is less important but because there are some other things that are far more important. I grant you, Mr. Speaker, that sport and recreation do make for healthy bodies, but there are other things that are more important than recreation. Some of them are preventive dentistry; the proper care of children, particularly infants, and a proper program of mental and physical hygiene. At the present time in Canada we have an alarmingly high rate of mental and social disease. We have an alarmingly high infant mortality rate and very high maternity death rate. We lag far behind New Zealand, Australia and the Scandinavian countries in combating these things. Granting that some part of this situation is due to the fact that we are such an isolated people and that we are not as accessible to doctors and hospitals as are the people in more congested countries, the fact remains that it is futile for us to talk about setting up a sports ministry when at the present time we are unable to provide medical service for large sections of our people, and while we are unable to give proper maternity care or proper pre-natal and post-natal care to thousands of children born in this country. In the province of Saskatchewan a survey was made of several municipalities, in which it was found that thirty-eight per cent of the children in the rural schools had permanent teeth in a state of decay. Last night it was said that this is a task belonging

to the provincial governments. I would agree with the last speaker, who said that the provincial governments and the municipalities can no longer carry that load.

This is what it means: At the present time our health program is very spasmodic. Here you have two municipalities side by side. Through no fault of the residents of those municipalities the financial situation of both is very different. In one municipality they are in a position to take care of the children in their rural schools who need dental care or who require their tonsils removed; that work is done for a lump sum. That has been done in a number of well fixed municipalities in Saskatchewan. But in other municipalities whose credit is not so good and where the tax collections have been low, that cannot be done. If we have any money to spend for a sports ministry; if we have any money to spend in looking after the health of the people of Canada, let us spend it in setting up dental clinics, baby clinics and maternity clinics to look after the health of our people.

In conclusion, Mr. Speaker, I should like to say that any money so spent would be the best investment this parliament ever made. Preventive medicine in any form is not a wasteful extravagance; it is an investment, and a good one. A few years ago it was my privilege to present a brief concerning certain areas in Saskatchewan and to make a study of subnormal families. Without wearying the house let me give just one instance dealing with twelve subnormal families living in one particular locality which, within one generation, produced over two hundred offspring, 178 of whom are still living. Thirty-six per cent of them never reached grade six in school. Thirty-eight per cent suffered from social disease and forty-six per cent live either in penal or in mental institutions. Where formerly there were twelve families living on public charity to-day forty-eight families are living on public charity. The cost of supporting these people has increased fourfold in twenty-five years to say nothing of the moral and physical effect on the remainder of the community as a result of social disease, which they spread very largely.

Any money that may be spent in meeting a problem such as this will be money well invested. In the province of Ontario we have a splendid example of what happens when you have proper medical care applied to children. The Dionne quintuplets have become the wards of the Ontario government—I assume in view of the fact that the premier of this province has no issue of his own. The care given them has resulted, despite the initial handicaps, in the raising of five healthy and pretty children. That same care is the birthright of every child born in the Dominion of Canada, whether it be born in a rich home or in a shack on the prairies.

While we in this group therefore are much in favour of recreation and sport in any shape or form, the position we take is that any money this government can afford to spend ought to be spent in looking after our people and in the promotion of preventive medicine.

Mr. R. A. PELLETIER (Peace River): Mr. Speaker, I desire to take part in this debate for two reasons. At the outset may I say that I have listened very carefully to the argument advanced by the hon. member for Weyburn (Mr. Douglas), which caused me to look at the resolution once more. I find that the resolution suggests that in the interests of public health a ministry of sports should be established.

I do not believe it is the intention of the mover of this resolution to minimize the value of public health in Canada. Rather by this resolution he attempts to say that, through sports, at least a part of the problem of our national health may be solved. The resolution does not preclude any other attempts being made, through preventive medicine, dental clinics and so on, to meet other branches of the same problem. This is simply advanced as one way to deal with one part of the question. However, I desire to associate myself with the mover of this resolution, because I believe in it in principle. I cannot say that I agree that a ministry of sports should be set up, but I believe the problem is of national importance and for that reason I associate myself with the principle of the resolution.

A second reason why I speak to this motion is that whenever competitive sport is mentioned we naturally think of champions, and, speaking of champions, I come from a province which has produced the greatest champions Canada has ever had, namely the Edmonton Grads. That team needs no introduction in Canada. They are an organization of young ladies known in connection with basketball the world over. Ever since they first won the world's basketball championship they have retained it throughout the years and met all comers, teams from Canada, the United States and Europe, and carried Canada's name to glory wherever they have been. I mention this example because I believe that no debate on sports in this house would be complete without some mention being made of that team. If we inquire into the reasons for their success we shall find that

it is largely due to the systematic methods adopted by their coach. Ever since Percy Page took charge he has been able to turn out champions and keep them champions, something that has never happened before in Canadian sports history. If Canada should decide to supervise in somewhat the same manner but perhaps on a larger and more extensive scale the activities of various sporting organizations, I am sure she would have reason to be proud of the champions she could turn out.

In conclusion may I state once more the views of our group. In principle we agree that there should be some supervision over Canadian sports. We also agree with the hon. member for Weyburn when he says that there are many other improvements to be effected in Canada before making such an attempt as this. The resolution is simply one means of promoting public health and does not preclude any other endeavour of that sort which might be made.

Mr. F. E. LENNARD (Wentworth): Perhaps I may be permitted, Mr. Speaker, to say a very few words. Representing as I do the county of Wentworth and part of the city of Hamilton, and coming from a district which has always been held in rather high regard in the realm of amateur sport in this country, regardless of the fact that the Hamilton Tigers went down to defeat this fall before the Ottawa Rough Riders, and our Dundas Intermediates were defeated by the hon. member for Lambton West's Intermediates—coming as I say from that district I feel bound to express my appreciation of what amateur sport has done and is doing for the youth of this country. I know of no better influence for good in any community than clean, well regulated amateur sport. I am pleased to support more or less the views of the hon. member for Trinity (Mr. Plaxton). I could not have supported a ministry of sports, but I do congratulate him upon bringing this matter before the house, and I feel it should have the sympathetic consideration of all hon. members.

Hon. C. G. POWER (Minister of Pensions and National Health): I desire to thank the mover of the resolution (Mr. Plaxton) for having brought this very important matter to the attention of the people of Canada. There is no doubt whatsoever in my mind that sport, not so much on account of the physical development which results from it as on account of the spirit and mentality which it develops, is of much value to the people of Canada. I am somewhat at a loss, however, to know just what is meant by the terms of the resolution. If the hon. gentleman means physical culture in schools, if he means that we should establish a ministry or commission of sports such as they have in Europe, whereby the children are taught physical culture—and perhaps he will not take it amiss if I say are trained to become cannon fodder—then I do not think he is speaking the mind of the people of this country. If on the other hand he means by sports what I shall describe as competitive field sports, such as hockey, football, lacrosse and so on. then I doubt very much whether any nation reared and strengthened on individual effort as Canada has been from the time of our pioneer forefathers, requires any governmental or governing body to teach the youth of this country whether they should or should not play hockey, football or lacrosse.

Some hon. MEMBERS: Hear, hear.

Mr. POWER: As far as I am concerned I believe the hon. member has served a very useful purpose in bringing this matter to the attention of the house and the public. Owing to certain unfortunate occurrences at the last Olympic games an agitation arose to the effect that there should be in Canada some body to decide who should be an amateur and who should be a professional. In my youth, long before I knew anything about this house, I took part in the sports of the day, and in those days there was a definition of amateur and professional. In Canada for a certain period of time those who accepted money for their prowess in athletics were permitted to play with and against those who did not so accept money, as is the case in England to-day in cricket. I think any of my hon. friends who turn to the sports pages in the English papers will see that in the county games Mr. Smith is mentioned, and A. B. Jones, which indicates that one is an amateur and the other a professional.

Mr. DUNNING: On the same team.

Mr. POWER: On the same team. They are allowed to play with or against one another. I am not quite so sure of the facts —perhaps my friend the Minister of Finance will correct me—but I think the same system obtains in soccer.

Mr. DUNNING: In rugby.

Mr. POWER: Whether that is a good system or not I am not prepared to say. But I doubt very much whether it would be in the interests of Canada to say there shall be a minister—who after all originally was a politician—who shall decide whether or not

three members of a team from western Canada sending a challenge in football are professionals. As the person upon whom this task would probably fall, I must say that I would very much like somebody else to undertake it.

Perhaps in this country we have neglected the physical side of education, possibly to our detriment. In so far as my knowledge of constitutional history goes, I understand that this matter would not be within the purview of the federal government. At the present time we have such organizations as the boy scouts and the cadet movements which are carrying on work conducive to the better physical development of the youth of our country. As far as field sports are concerned, as I said, I would not want to be the minister connected therewith. I would not want to be the man who had to choose the referees in the play-offs for the Stanley cup games; I would not want to have to judge horse racing or to see that wrestling matches were not framed in advance. I would not want to be obliged to listen to the tales of prowess related after the nineteenth hole in golf. I feel that the time will come, as it has come in other countries, where the appropriate authority—I do not think this would be the federal authority—will see to it that our children are trained in such a way as to make them strong and healthy in future life and a credit to their race and country. We used to call it physical torture when I was a youth.

The hon. member for Trinity (Mr. Plaxton) was kind enough to give me notice of this resolution. I know he spent a great deal of time in preparing his remarks and he even took the trouble to propose a bill. No one in this house has brought more credit to Canada through athletic feats than has the hon. member for Trinity. As a matter of what I would call practical politics or practical administration, I do not think a ministry of sports could be established, whether it were intended for the development of physical culture or for the development of field sports. If my hon. friend will listen to the advice of one who has been somewhat longer in the house than he has, he will withdraw his resolution. He has attained the object which I know he hoped to attain, that of drawing the attention of the people to the fact that the time has come when we must develop our children into healthy men and women.

Mr. H. E. WILTON (Hamilton West): Mr. Speaker, I should like to add a few words to what has been said already. I am strongly in favour of anything that will benefit the youth of Canada, representing as I do a city which has produced more amateur champions, both Canadian and world wide, in proportion to its size than any other city in Canada. One of the problems which faces the civic authorities of Hamilton is that of the provision of finances to maintain the public playgrounds. The medical health officer of Hamilton—I believe the same applies to the medical health officers of many other cities—has gone on record as saying that the civic controlled playgrounds are of great advantage in improving the morals and health of the youth of the city. I believe Hamilton was one of the first cities to provide public playgrounds; it led the way in this as it has led the way in many other things. I could give the house a list of thirty or forty outstanding things which have tended to make the world a better place and which had their inception in the city of Hamilton. This city is of so much importance and is so jealously regarded that for some reason it was left out of the official book issued last year by the publicity department at Ottawa and distributed throughout the United States.

Reverting to the matter of playgrounds: a couple of years ago the municipality of Hamilton found itself forced to close some of the playgrounds because of a shortage of funds. It was realized that this would be detrimental to the youth of Hamilton, but it had to be done in the interests of the taxpayers. While I cannot see eye to eye with the mover of the resolution (Mr. Plaxton) when he states that a ministry of sports should be established, I do feel that the government should endeavour to give some financial assistance to municipalities which are conducting public playgrounds. The government would then be doing something which would be greatly in the interests of the health of the youth of Canada.

Mr. VITAL MALLETTE (Jacques-Cartier): Mr. Speaker, like other members of the house, I am grateful to the hon. member for Trinity (Mr. Plaxton) for introducing this resolution and I feel I would be remiss in my duty to my constituency if I did not make a statement on this occasion.

Every hon. member who has spoken so far has told the house of the number of champions in their respective home towns. We have so many in my county that we take that as a matter of course and keep no record. It is not my intention to spread on the pages of Hansard the names of these ladies and gentlemen who have performed so creditably in the past.

In the county of Jacques-Cartier I think we have more golf clubs to the square mile than in any other part of Canada. There is the Royal Montreal Golf Club, the Beaconsfield Golf Club, the Marlborough Golf Club, the Beaurepaire Golf Club, the Senneville Golf Club, Elm Ridge Golf Club, Summerlea Golf Club, Grove Hill Golf Club and the Meadowbrook Golf Club, and so on and so forth. If the government were to take over the direction of sports, well, Mr. Speaker, I have enough trouble with patronage as it is without having to put in recommendations for caretakers, for professionals, and perhaps for chamber-maids.

Like the hon. member for Peel (Mr. Graydon), and the hon. member for Fort William (Mr. McIvor), when I was young, much younger than now, naturally I used to go in for sports. I was interested in hockey and lacrosse, and when I got older I did what the hon. member for Fort William advised this house to do, I joined a curling club. Not only did I play the game on the ice but I even had something to do with the management of the club, until at last I rose to occupy the very high position of president of the Pointe Claire Curling Club, which is a member of the Canadian branch of the Royal Caledonian Curling Club, an aggregation comprising over 3,300 amateurs in curling in the eastern part of Canada. After a while they elected me president of the Canadian branch of the Royal Caledonian Curling Club. I was informed by the representative of the branch at Montreal that he had written to the secretary of the club in Scotland to tell him that since the foundation of the branch in Montreal in 1852 I was the first French-Canadian to be elected to such high office. This was very satisfactory, but my pride was lowered by the fact that the secretary after five weeks had not answered that communication, and I said that the probable explanation was that he had not yet recovered from the shock.

We have also in Jacques-Cartier race tracks, yacht clubs, boat clubs, canoe clubs, polo clubs, baseball clubs, hockey clubs, in fact, every kind of sport.

I do hope that the government will keep away from sports as much as possible. I know the trouble I would have in my own county well enough not to wish to see members representing other metropolitan counties in similar trouble.

As regards public skating rinks, playgrounds and that kind of thing, in most of the small towns we have them to-day. They are there, and they are provided by the municipal authorities. We did not have such conveniences a generation ago, and where we did have them, it was the boys of those days who had to provide them through their own work and out of their own little savings. But to-day, every time a group wants something it goes to the municipal council, and public moneys must be expended to provide these things. Once you go to the municipal councils, the next move will be to the legislature, and then to the federal government, and if the government undertook to go into this kind of thing we would be asked for grants of all kinds. So I do hope, Mr. Speaker, that the hon. member for Trinity will withdraw his resolution. I have just one word to say in appreciation of it, and that is, if the government does go in for controlling sports, that they may take steps to control beauty contests in case another one is held on this hill this year.

Mr. PLAXTON: In view, Mr. Speaker, of the suggestion made by the hon. Minister of Pensions and National Health (Mr. Power), with which I agree, I would ask leave to withdraw my motion.

Motion withdrawn.

PURCHASING POWER

PROPOSED CREATION AND ISSUE OF NATIONAL CREDIT FOR IMPROVEMENT OF ECONOMIC CONDITIONS

Mr. J. H. BLACKMORE (Lethbridge) moved:

That, in the opinion of this house, the Canadian government should consider the advisability of beginning this year to issue purchasing power, and to use that purchasing power for the improvement of the economic condition of the Canadian people.

He said: Mr. Speaker, before proceeding to discuss this very vital question I should like to read to the house an excerpt from the introduction to Professor Irving Fisher's book 100% Money, written by Robert H. Hemphill, former credit manager for the Federal Reserve Bank of Atlanta. In this introduction, among other things he says:

If your personal difficulty and that of all the people you know or know of is lack of money, is it not obvious that the central national difficulty is but the aggregate of the difficulties of all its citizens, that the scarcity of money is our paramount national problem.

Perhaps I should say something about that before going into my discussion, inasmuch as I know that there are a good many people in this dominion who are trying to draw the attention of the people of Canada from this

question of money, and who are saying there never was more money in the dominion than there is to-day. I grant that fully; but that money is to-day in the hands of men who propose to keep it, and so the ordinary people of Canada are unable to get at it by any means at their command.

In the first place, Mr. Speaker, I should like to define for the house the term purchasing power. There are two kinds of money. Perhaps a good many people have not come to realize this. There is first what may be called pocket-book money, which consists of coins and bills which you can get hold of—tangible money. This is created generally by governments and by certain banks. Then there is what is known as cheque-book money, or what we might call such. This money is bank credit, and it is created by certain banks. It is really figures in a book. It is utterly intangible, but it is as good as gold, that is, it performs all the functions of any kind of money that can be conceived of, even if that money were pure gold itself. And it is made by the flourish of a fountain pen. I know there will be some who will hasten to challenge that statement, but before they rush in where wiser men may fear to tread may I suggest that they read with considerable care H. D. Macleod's book, Elements of Banking, and especially read page 157. This will show quite clearly that as long ago as 1885 it was fully recognized that there were two distinct kinds of money, that the bankers' cheque-book money is created by the flourish of a fountain pen and is destroyed by the same process; and therein lies a tremendous percentage of the trouble that is to-day afflicting the world. There may be those who will smile at this now, but within twenty years everyone in this dominion who knows anything will recognize it fully and will realize that it is a primary condition to which we should be giving our attention, and for this reason if for no other, that from ninety-five to ninety-seven percent of all the business done in the world to-day, and especially in the Anglo-Saxon world, is done, not with money which you can hold in your hand, but with money represented by figures in a book, transferable by cheque, existing only on the books of the bank. This resolution calls for figures-in-a-book money, for credit, for cheque-book money. A certain amount of pocket-book money also could be issued.

There will be those who will rise and point with gusto to the German mark and to the greenbacks as examples of the colossal failure of this kind of money. Before we waste any time on this sort of thing, let me warn those people that the kind of money I am advocating has not been used, so far as I have learned, by any government up to the present time. The money I refer to is this credit money or cheque-book money, and the proposal is that the government of the dominion prepare itself, by establishing the necessary machinery and passing the necessary laws, to issue this kind of money and use it. What might easily cause inflation of the regular pocket-book money might be far from having the same effect with cheque-book money, which is figures in a book. At the same time I cannot see that the issue of a certain additional amount of actual pocket-book money could do any harm.

There are a number of urgent reasons why we should begin to issue such money as this. In the first place we are gravely concerned with the national debt. How Canada's national debt can ever be paid off I think we can safely challenge and defy any man in the dominion to-day to show. That debt is increasing, and if we have another war, or if we have to make elaborate preparations for one, our debt can easily assume overwhelming proportions. At the same time that we are worrying about our debt and the paying off of that debt—which we should be worrying about—there are arising in this country from one end to the other demands that more and more consideration shall be given by the government to supporting, financially, various sections of the population. We are to-day about to consider the question of pensions for the blind. Everyone agrees that that is a right principle. Everyone admits that the blind should be supported to such an extent that they can exist comfortably. How much of a burden that will impose upon the dominion government perhaps we should all hesitate to compute. At the same time we are beginning to feel that those who have fought life's battles and who have attained the age of fifty-five or sixty should be allowed to retire to a well-earned rest; and in our economic and industrial conditions to-day the employers are rapidly getting to the point where they force men to take a rest. There are certain industries which have no use for men over forty or forty-five years of age, especially if they are seeking employment for the first time. The problem is not an imaginary one; it is real, and it must be dealt with. How are we going to find the money for the support of such people? As sure as we are in this house, the demand for such support is going to increase.

Besides, as was brought out last night, we must face increasing demands for the support of our burnt-out soldiers; and everyone in

this dominion who has a heart realizes that that demand ought to be met, so that the men who fought the battles of this country in the last terrible conflict shall not be obliged to walk down the street as the most shabbily dressed and the most hopeless people in the community. We are being called on constantly, as we have had indicated here to-day, for grants of various kinds. For example, who is there who will argue to-day that the state ought not to consider seriously the question of state medicine and state dental care and state hospitalization? Everyone feels that these things ought to become a reality. Where is the money to come from? And, there are great public works which should be attended to. Our hills are becoming denuded of the virgin forests upon which we depended for the water supply to fill our lakes and supply our rivers. In Alberta this year, and in the west generally, when the drought was upon us, many and many a community was very much at a loss to know what to do to assure itself of a water supply, and that largely because the timber had been removed from the hills which should have been a natural reservoir supplying the streams to give water to those communities. That condition is getting worse. It has been mentioned several times in this parliament.

There should be a reforestation program in this country, but where is the money coming from? Then, everyone realizes that our parks need more and more attention. There is the matter of relief for the unemployed. As far as I can see, this demand will be persistent and perpetual as long as we continue as a nation. Also there is relief for the underpaid. There are some men and some newspapers in this land who sneer because, they say, certain people are receiving more while on relief than they could get if they were working, with the result that some are leaving their work and going on relief. Can you blame them? I do not know of any community in this nation that is giving men more by way of relief than they feel they ought to have; and I maintain that if there are any industries in this country that are giving their employees less than they ought to have, it is a reflection upon this parliament. The indications are that before long something must be done either to force those industries to pay men a living wage or to aid them in supplementing the wages which the men are receiving. How we are to avoid such alarming labour disturbances as are taking place in the United States unless something like that is introduced, I will challenge any man in this dominion to show.

[Mr. Blackmore.]

Further than that, the taxation burden, as has already been mentioned several times, has risen to a point at which it can no longer be borne. Something must be done, yet our need for money is more urgent than ever. Can anyone see a way out of that difficulty? There is also the national debt, of which we have been speaking. Some day we must pay that off; we should be starting now. Could we not use the national purchasing power, if we can learn how to use it, so that repayment will not cause any disastrous results? Can we not use it in purchasing the gold which we are producing in this country, the nickel we are producing, and a great number of other commodities, and, with them, help to pay off the national debt? We must find some way of paying it off. How can we do it under the present system?

There is another matter which to my mind is important. Men who are studying these subjects carefully are beginning to learn a great deal about the relation between money in circulation in a country and the income which the people in that country can earn. Robert H. Hemphill, whom I quoted a while ago, has made this statement, that it has been discovered in the United States that for every three dollars which the people of the United States earn as wages, salaries or dividends, there absolutely must be in circulation in that country one dollar. This thing is receiving a scientific approach; men are learning that certain monetary laws must be regarded. If at the present time we cannot devise a method of getting money into circulation by means which we have thus far used, then unquestionably we must find some other way of getting that money into circulation. There is simply no use in our closing our eyes to that fact.

Then, in addition there is the matter of increasing our production. Production increases according to the amount of money we have in circulation. That is a fact which some people may not realize, but one which is nevertheless true. At the present time banks cannot give enough money to increase production as we would have it increased.

Mr. ROGERS: Would the hon. member permit a question?

Mr. BLACKMORE: Yes, provided it is not taken off my forty minutes.

Mr. ROGERS: I should like to understand clearly whether the hon. member recognizes a distinct connection between production and purchasing power.

Mr. BLACKMORE: Yes.

Mr. ROGERS: Then would he kindly explain that connection?

Mr. BLACKMORE: I wonder if the minister would mind raising the question a little later in my speech, if I do not deal with it by that time.

Mr. ROGERS: Certainly.

Mr. BLACKMORE: I am pleased the minister has asked the question. I wish to deal with it, because there is no doubt that those factors are vitally bound up. In order to increase production of a hundred acres of wheat or a hundred sheep under present circumstances a man must be in a position to borrow money, unless he happens to have it in his own account. If he has it, then when he invests the money in the sheep he looks upon that money as a debt which, together with interest, must be paid back to him, so that it may pay him to invest money in the sheep rather than put the sum into the bank. If he cannot get the money and the interest back, he will not invest the money. So in a very real way it might be said that every dollar we are using to-day goes out into circulation as a debt.

There will be those who may challenge my statement, and when they do I shall be pleased to answer them, because I have plenty of authority with which to meet the challenge. Our money is all debt. As one notable authority I quote Robert H. Hemphill, a man who I presume ought to know a good deal about these things, as he holds the position of manager of the Federal Reserve Bank of Atlanta. These are his words as they appear in a foreword to Irving Fisher's book 100% Money:

> If all bank loans were paid no one would have a bank deposit,—

In the press of Canada and in after-dinner speeches we hear a great deal about deposits. May I say the people of our country must learn much more about the nature of deposits. I repeat the quotation:

> If all bank loans were paid no one would have a bank deposit, and there would not be a dollar of currency or coin in circulation.
>
> This is a staggering thought. We are completely dependent on the commercial banks. Someone has to borrow every dollar we have in circulation, cash or credit. If the banks create ample synthetic money we are prosperous; if not, we starve. We are absolutely without a permanent monetary system. When one gets a complete grasp upon this picture, the tragic absurdity of our helpless position is almost incredible. But there it is.

Why cannot the banks issue enough money? Simply because the banker cannot issue money unless he has a borrower; of the borrowers presenting themselves to banks for loans only a few can be trusted by the banker, and most of those whom the banker can trust will not trust themselves. The result is that they do not borrow. There is enough evidence to prove that beyond the shadow of a doubt.

There will be those who will say there is more money on deposit in the banks to-day than there was in 1929. Yes, that is true; but what is that money on deposit? The money on deposit is largely loans which the bankers have advanced to governments. That is an important point to remember. The money in question is not therefore out in circulation as we might be led to believe; it is already tied up.

More and more of bank loans are being advanced to governments and consequently are not in circulation. This is a very serious matter. Then, money must be in circulation to decrease unemployment. If money is not in circulation, men are not able to get it and are therefore unable to buy the goods industry produces. As a result, industries are not in a position to run full time; consequently they are unable to employ men full time. If we are to get employment for our people we must find some way of getting them back to work, and we cannot get them back to work until we can create payment for our goods.

It is said that we will do that through international trade. Perhaps—but the best thinkers I find have not much faith in international trade as a solution for all our problems. The cause of the depression is financial, although many people will doubt that statement. I repeat that beyond all question the cause of the depression is financial, and money must be put into circulation to bring us out of it. If we had some means of producing national money we could increase our defence without inflicting undue burden upon Canada. This country can produce practically everything necessary to equip itself with almost any degree of defence it may wish. Why can we not produce the goods and equip ourselves for defence measures?

Then, there is a still more serious matter to consider—and again there will be hon. members in the house who will challenge what I am about to say. I am positive, so far as I have been able to get information, that there is no successful answer to the statement that the government of Canada and of virtually every modern country is controlled by financial institutions. Consequently democracy is passing away. Yesterday the right hon. the leader of the opposition (Mr. Bennett) talked about the way in which democracy has failed. I believe I have indicated

one good and sufficient reason why it is failing, and unless we can change this matter of the control of money I say democracy will continue to fail. There is a reason why Germany has gone fascist; there is a reason why Italy has done likewise; there is a reason why Russia has gone communist.

Then, having established the need for such money, if we can find a way in which to get it, the next question is this: Is such money feasible? Is it practicable to have national money, and particularly national credit? There are three main questions which arise in discussing this matter. First, could Canada have the power to create national money? I believe we need not discuss that question, but we shall at a later time glance at it from two or three aspects. Second, should national money be sound money? The expression "sound money" has gone back and forth from one end of this country to the other, and we are led to ask ourselves: What is sound money?

An hon. MEMBER: Alberta money.

Mr. BLACKMORE: Somebody is waking up. What should be sound money? Should national money be sound? I shall not have time to discuss these questions at sufficient length, but in them I say there is a tremendous amount about which most people have not yet even begun to think. The next question is this: Would it cause inflation? During the remainder of the time at my disposal I should like to discuss these three aspects of the matters relating to national money. Can Canada constitutionally create it; should such money be sound money, and would it cause inflation?

In the first place, has Canada the necessary power? Yes, she has. The British North America Act guarantees such power to Canada. If I am correctly informed, acts of 1914 and of 1923 passed in this house specifically gave the government power and authority to create money, a power which for some strange reason has not been exercised, so far as our records show. It has not been exercised fully, we will say. It appears now that the power to create our national money is being manipulated away from us. I should be very glad to be convinced that that is not so. And it is charged that this is being achieved, this manipulation, through our bank acts, through the Bank of Canada Act and through the power and influence of international finance working through the press of this land.

Mr. DUNNING: Perhaps I can say immediately that that statement is utterly and completely without foundation. I do not understand that my hon. friend is taking responsibility for it; he is merely quoting what someone said somewhere, and it is quite completely without foundation.

Mr. BLACKMORE: Very good. The minister will remember that I said it was charged, and we will deal with the matter more as the days go by, because the evidence we have will take a whole lot of explaining away.

Mr. DUNNING: Present it.

Mr. BLACKMORE: It is not time yet.

Mr. McLEAN (Melfort): Do not make your charges, then.

Mr. BLACKMORE: I did not make the charge; I said it was charged. I will leave the statement just as I made it.

Now I go on. The next point is: Is national money sound? First, why not? What is the backing which stands behind any bank money if it is not the guarantee of the Dominion of Canada, and if the credit of the dominion is sufficient backing for bank money why should it not be sufficient backing for dominion money if that money is correctly managed? Let us use a simple illustration. If you, any one of you, were put in charge of the economic affairs of an island as large and as rich as Ontario, could you have any money in your island? This brings up the question that was raised by my hon. friend a moment ago. If the island teemed with fruit, with metals and with all manner of desirable things which men use both directly and to create the things they need, again I ask: Could you have money whether or not you had gold?

Mr. ROGERS: Will my hon. friend permit me to interrupt once more? Suppose the island teemed with purchasing power as he has described it, and there was no production, would conditions be satisfactory in that island?

Mr. BLACKMORE: Not by any means, but we will answer that question further as we go forward.

Some hon. MEMBERS: Oh, oh.

Mr. BLACKMORE: The laugh will be on the other side of the faces before long, too. All right; think of an island like Ontario, filled with natural riches. Could that island have money? If the government of the island created money, what would be the backing of that money? For those who are so exceedingly smart over there let me suggest that they go and get Sir Norman

Angell's series of articles which appeared in the Financial Post last year. Read them through with a great deal of care; turn to page 19 and read this little illustration, and see what you get out of it. I am going to retell it now. He says a sailor landed on a certain island with a block of gold. He wanted to use the gold in order to buy certain goods for his own use, but at the time he did not see how he could use the gold. So he went to a missionary and confided the gold to his keeping, saying, "As soon as you get a chance, take my gold to the old country and have it minted. Meanwhile I will write orders against it." So the sailor wrote orders and passed them to the natives in return for the goods which the natives gave him. In due time the natives were passing a great quantity of these orders around the island, and accepting them as face value as money. But, Sir Norman Angell says, the gold never did go to the old country; it never was minted into coin, but the system continued to function just the same, and the gold might just as well have been a piece of lead. When hon. gentlemen opposite get through explaining that it will be plenty of time to sneer. Until they can explain it, however, they would be wise not to reveal their ignorance; until they can explain that away it might be just as well to keep right on studying.

Now, the question is, what was the backing of the money when it was in circulation in the island?

Mr. LAWSON: The intrinsic value of the gold block.

Mr. BLACKMORE: But the block was never minted.

Mr. LAWSON: It did not have to be minted to have intrinsic value.

Mr. BLACKMORE: Remember, this is all on page 19 of Sir Norman Angell's article. Go and read the pamphlet.

Mr. LAWSON: But I have read it, and I am trying to get my hon. friend to explain to my satisfaction that there is no intrinsic value behind this credit which he is going to set up.

Mr. BLACKMORE: Very good, but you will find that the backing of that money was the goods and services, the producing and consuming power of that island, the exchanges, as Sir Norman Angell says. It will take a good deal of laughing to explain that away.

Mr. DUNNING: Sir Norman Angell did not say that.

Mr. LAWSON: Nor anything like it.

Mr. BLACKMORE: Get the pamphlet; read page 19, and we will see. At any rate, this is an illustration.

What is the backing of money? That is the question. The backing of money is the goods and services, the producing and consuming power of a country; in other words, the need of the country for the money. What do authorities say about it? In 1936 Senator Owen wrote an article which completely supports that stand; in 1936 Reginald McKenna made a statement completely supporting that stand, as far as I can see. On January 30, 1936, he is credited with having uttered these words:

> Additional currency, however, can now be furnished by the authorities, if they choose to exercise their powers, without reference to the central bank's holdings of gold. Thus the nineteenth century, which brought into general use a means of payment hitherto scarcely known outside London—

He is referring there to the power of creating credit and transferring it by cheque.

> —brought also the machinery whereby it could be subjected to intelligent control.

In his 100% Money, Irving Fisher supports the same idea time and again. Then G. D. H. Cole, eminent Oxford economist, has written the following words in his Principles of Economic Planning, at page 213:

> Whenever the need arises to increase the supply of money, I am suggesting that the increase ought to be made, not in the form of increased loan credits to either producers or consumers, but of non-repayable presents of purchasing power to all the citizens, save to the extent to which the state decides to use the money itself for public purposes.

And at page 217 we find these words:

> It does seem to me undeniable that the state, by creating new money without thereby creating new debt, can come near to bringing about the full use of the available productive resources, and can, by recurrent infusions of additional money, keep those resources in use.

Those who talk about the dangers of inflation must remember that they are challenging the words of a man who stands very high in the economic life of Great Britain. Here is another quotation, from page 208:

> Let the state, it is urged, create more purchasing power, and more production will speedily follow.

This will answer the question proposed by the Minister of Labour (Mr. Rogers). Again:

> I do not dispute this. I agree that, if the state makes a present of new money to consumers—not a credit advance, repayable later on, but a present—the effect will be to stimulate additional production.

There are many more statements that I could read. The question is, What is the backing of money? There are books written to show that the gold standard has broken down, that the backing of money is no longer gold, and the wisest men know it is not. Nor is the backing any other metal. It is the goods and services, and the producing and consuming power of the community, and the credit and confidence the people have—

Mr. DUNNING: Confidence, that is it. All the rest can be left out.

Mr. BLACKMORE: Quite so. Now the question is, How are you going to produce that confidence?

Mr. DUNNING: That is it.

Mr. BLACKMORE: What Angell calls exchanges. May I read a passage from Senator Owen?

Mr. McLEAN (Melfort): Who is he?

Mr. BLACKMORE: He is the chairman of the monetary reform committee of the United States. I am sorry the hon. member does not know. He says:

There is no mystery in what makes the value of money,—

Mr. McLEAN (Melfort): These are nearly all foreign authorities. The hon. member passes over those of his own province.

Mr. BLACKMORE: If you would leave the province alone it might do better. The value of money depends absolutely upon the supply of money in relation to the demand for money, entirely regardless of the value of gold content.

Mr. ROGERS: What creates the demand for money?

Mr. BLACKMORE: The desire of the people to produce, motivated by their desire to consume, operating through effective demand.

Then the next point, Would such money cause inflation? First, what is inflation? We say ordinarily that inflation means a fall in the purchasing power of a dollar or rise in the price of commodities in terms of that dollar. You will all agree with that, I think. But another definition of inflation we cannot allow. It is the definition which has been used by a great many propagandists throughout the country, who contend that any kind of money created by anybody but a banker is inflation. This is an absolute lie.

The next question is, What is the cause of inflation? The main cause of inflation is having too much money in circulation actually among the people for the goods and services that are available. That is the test. More money gradually introduced into circulation will cause more production, as was brought out a few minutes ago in Senator Owen's article, giving more backing for more money Our ability to produce goods and services is almost unlimited. Of that there is no question, otherwise why all the unemployment and all the half-time work? What do the authorities say about this matter? Let me read a passage from Paul Einzig's book World Finance Since 1914, published in 1935, page 17:

The more advanced definitions—

That is of inflation.

—duly allow for any change in the volume of real wealth. Thus if the volume of currency and credit increases, and the production of real wealth increases in the same proportion, then there is no reason why the expansion of currency and credit should produce an inflationary effect, even if it affects the spending power of the community. It is only if the increase of currency and credit is in excess of the additional production of real wealth that it is defined as being of inflationary character.

That, I think admits of no successful contradiction.

The next question is, What about our present system? Our present system is the system that causes inflation, and the people who cause the inflation are the very ones who are everlastingly telling us that the government issue of money would cause inflation. You will find that in the platforms of both the Democratic and Republican parties in the United States, and the same thing applies to us, that it is the indefensible expansion and contraction of credit that causes the trouble. Anyone who wants a good discussion of this should read Irving Fisher's 100% Money, after which I will talk with him privately. For the United States Professor Fisher uses these figures, and I think corresponding figures can be found for Canada. In the United States in 1926 there were four billions of pocketbook money in circulation, and twenty-two billions of cheque book money. Between 1926 and 1929 the amount of pocketbook money remained the same, but the cheque book money increased from twenty-two to twenty-three billions, and Professor Fisher says definitely that that increase of one billion of cheque book money caused the inflation and the subsequent collapse which resulted in this disastrous depression. In 1933 there were five billions of pocketbook money,

because President Hoover, in an attempt to change the situation had introduced one billion more, but there were only fifteen billions of cheque book money. And that is what caused the depression and is continuing it.

Now may I read a passage which is rather enlightening, from Professor Fisher's book "100% Money", page 6 of his summary:

> An essential part of this depression has been the shrinkage from the 23 to the 15 billions in cheque book money, that is, the wiping-out of 8 billions of dollars of the nation's chief circulating medium which we all need as a common highway for business.
>
> This loss, or destruction, of 8 billions of cheque book money has been realized by few and seldom mentioned.

Mr. SPEAKER: Order. The hon. member's time is up.

Mr. BLACKMORE: I think I have four minutes more, owing to the interruptions, have I not? May I have another minute to make up for the interruptions?

Some hon. MEMBERS: Go on.

Mr. BLACKMORE: It continues.

> There would have been big newspaper headlines if 8 thousand miles out of 23 thousand miles of railway had been destroyed. Yet such a disaster would have been a small one compared with the destruction of 8 billions out of 23 billions of our main monetary highway. That destruction of 8 billion dollars of what the public counted on as their money was the chief sinister fact in the depression from which followed the two chief tragedies, unemployment and bankruptcies.

If that writer knows what he is talking about can there be any question as to the cause of the depression?

In closing I submit that inasmuch as the present system presents to us only despair and failure, inasmuch as there is grave need of new money without debt and without taxation, inasmuch as the thoughts of a great many progressive men are leading them to the conclusion that national money is the way out, inasmuch as national money is sound and constitutional and safe, or could be, and could be and should be abundant, inasmuch as the national credit has never been tried and consequently no one knows whether it would cause inflation or not, and inasmuch as national credit ought to work, for 97 per cent of business is now done on credit, I urge the government to consider very seriously the matter of the creation of new purchasing power.

Mr. R. J. DEACHMAN (Huron North): Speaking in the house a few days ago the hon. member for Lethbridge (Mr. Blackmore) made an appeal to the members for sympathy in regard to conditions existing in western Canada. I am quite sure that appeal will be met almost without being made. We in the House of Commons to-day owe a great debt to the people of western Canada. I would point out that at the present moment there are five political groups in this house. Every one of the leaders of these distinct groups represents a constituency in western Canada. In addition to that we have three provincial ex-premiers. Surely, as far as western Canada is concerned we have sufficient leading in the dominion at the present time. What we need, in order to accomplish the desired end, is just a little more light. I appeal to the hon. gentleman who has just spoken, and to his friends, to give us a clearer explanation of what they really intend to do. I listened to my hon. friend this afternoon as closely as I could. He told us of the things that ought to be done, but he did not utter a single word of detail.

He asks for an increase of purchasing power. Purchasing power is something which must be created, not given, if a nation is going to prosper. My hon. friend talks about an island. I do not like his island, it is too large. It is almost as large as the province of Ontario and it does not suit my purpose at the moment. Will hon. members permit me to take them to another island, a nice productive island, large enough to accommodate every hon. member in the house and perhaps some of those who assist us in the work we do here? This is a fertile island and all that is required to bring forth fruit is labour. I ask my hon. friend a question, the answer to which can come during the session from him or from some other member of his group: What will be the purchasing power of my hon. friend when he is settled upon that island? What will be his purchasing power at the end of his first year upon the island? I tell the house what I think his answer will be. His purchasing power will be measured exactly by his production.

Every hon. member on that island will bring to the market place the products which he has produced. His capacity to buy or to purchase the goods which others have produced will be determined by the volume and value of the products which he brings to the market place. In time a price system will evolve which will establish the relative price relationships between different products. Not everyone will produce grain or fruit. Perhaps some will make speeches. Some will be civil servants and perhaps we may have a governor on that island. It may be desirable to have some music. I would be willing to make a contribution in order that

the hon. member for New Westminster (Mr. Reid) might be present. I submit that the purchasing power of that island will depend upon production and there is no other way in which you can increase it.

Then the hon. member for Lethbridge comes upon the scene and says, "We ought to increase the purchasing power." How can you do it? You can do it only by taking from some who have produced and giving it to others. There may be some increase in consuming power through exchange with the other islands which surround you, but the ultimate standard of living on that island will depend upon the productive power of the island and upon the exchanges which take place with the other surrounding islands. I ask my hon. friend to think over this matter very carefully.

I ask my hon. friend and his friends to change, in their imaginations, this island into the province of Alberta. Exactly the same conditions prevail. Will it make any difference how often you change your government in the province of Alberta? Will it help you if you bring out money with stamps on the back of it? Will it help you if you put in a double or triple system of currency? Is there any means by which your consumptive power can be increased except by production, plus favourable exchange? I think my hon. friends ought to give an answer to that question. If they do not give an answer, then I think they ought to try to present to us what they deem to be an answer. We should be given an opportunity to examine it.

I read the platform of the Aberhart party —I cannot call it the social credit party because it certainly is not that—in the papers a few days ago. Its planks have been brought up again by the hon. member for Lethbridge. What does he say? He says that we should have an issue of debt free money. I should like to know what constitutes debt free money. If I am a farmer in Alberta and want to borrow $500 with which to purchase twenty steers at $25 each in order that I may feed them on my land, can I, under the system proposed by my hon. friend, go to the government and ask for $500? When that is done, can I say to myself that I hold in my hand $500 which I have received from the Alberta government and which will purchase for me twenty steers? Can I say that I have no obligation to pay that back and that I have no obligation to pay interest upon it? If that be true, the government of Alberta could give me the twenty steers. It could give me machinery and equipment to any amount, and there would be no interest to pay. Houdini on the stage took rabbits out of his hat—Houdini could not make his living by selling the rabbits. Yet that is the proposal made by my hon. friend.

I do not want to continue the argument to any great length, but I warn my hon. friend that I shall stay here as long as he and Mr. Aberhart survive. I only want him and those who support him to tell us how they will increase purchasing power. I want to know what he will do about debt free money. I want to know how long he will continue to issue debt free money. I want him to face the simplest of simple problems. If that could be done in Alberta, would it follow that the government of that province could buy control of the Royalite oil wells by the use of debt free money? I want to know if they could buy control of Noranda mines. I want to know if they could buy up the obligations of another province and live upon the interest. Is there any limitation to this scheme which they propose? Can it be continued indefinitely, or is it to be limited to just such things as we witnessed last summer when for a brief time they issued a few dollars of script money. The only thing they got out of it was a headache, plus the price they received for a few souvenirs that were sold. It is not a difficult question that I ask. I simply ask that these gentlemen tell us how it can be done. You cannot prove it by citing the most learned authority, by quoting Norman Angell or anyone else. You must put this system to the test, and unless that can be done it is useless. They have been trying to do it for a long time in Alberta, but so far they have not succeeded. If my hon. friend were given that marvellous gift which he says the bankers hold, would he stop at the paltry $18,000,000 which the banks of Canada earned last year? Any organization with such limitless possibilities for creating wealth could make the Count of Monte Cristo look like a piker? The government of Alberta has been trying these things and all they have left at the present time is the little sheet of paper which I hold in my hand—the outline of things they propose to do in the future. What do we ask for? We ask for a simple plan and a simple statement of fact. You cannot in this world get something for nothing without taking that something away from somebody else—if you can will you tell us how it is to be done.

Mr. WILLIAM HAYHURST (Vegreville): Mr. Speaker, it is an honour for me to support this resolution of my leader (Mr. Blackmore). The interest which the dis-

cussion has provoked in this house is an indication of the very deep concern taken in this vital question all over this dominion. The people of this country at least are recognizing that something must be done to alleviate conditions as they have developed in Canada and other countries.

Our good friend from Huron North (Mr. Deachman) says that you cannot get something for nothing, but surely he does not mean that. Why, some of the best things in life are something for nothing. The rain that falls upon our land, the sunshine that ripens the crop these are something for nothing, and they are vital to production. We in this part of the house hope in our time to disprove some of the fallacies which have been enunciated by the hon. member for Huron North. It is singular that he should still preach the doctrine that production must accompany purchasing power. If he had farmed in western Canada, as most of us here have done, where we produce large quantities of wheat and other cereals, potatoes and other products, he would know that the man who grows a ton of potatoes does not produce the money that will purchase them. We produce goods in enormous quantities, and usually at a loss. If I may be pardoned for making a personal reference, last fall I shipped ten head of pure bred shorthorn cattle, weighing on the average 200 pounds each, and all they brought in the Edmonton market was $6 each, or $3 a hundred pounds. Will anyone in this house say that a man can produce beef at that rate? Beef is one of the real assets of this country, and we cannot continue to produce at that rate when we have no control whatsoever of the value of money. The yield does not furnish the proper equivalent for me to buy my requirements in clothing and food, and that is due to the tremendous cost of production of that real wealth.

The hon. member for Huron North mentioned that wonderful island of his.

Mr. DUNNING: No, your island.

Mr. HAYHURST: I will give you the story of another island, where this question of money was considered, and I am going to quote an authority, Mr. A. DeV. Leigh, who is secretary of the London Chamber of Commerce. He has written the story of an island, and I am going to quote it because it illustrates some of the ideas that have been expressed by the hon. member for Huron North:

It is said that on a certain coast long ago shark's teeth were used for money. These answered the purpose all right and the industries of this primitive people were carried on very well with this currency. For years the country was prosperous, but storms ravished a nearby coast along which they had caught their supply of sharks. The storms destroyed the sharks and for a number of years no more could be procured. Money grew scarce in the island; industry languished, and the people became reduced to penury, all because of the scarcity of shark's teeth.

Then sharks became available once more, shark's teeth became plentiful, and the people had money. They went to work again, industry recovered, and the inhabitants of the island regained their former state of comfort. This situation recurred several times in the course of a long period of years, the plight of the people becoming worse each time of scarcity, yet no remedy was found.

A visitor to these shores during one of those seasons of depression was astounded at what he saw—people starving in a land where food was plentiful, for want of shark's teeth. He pointed out to them how ludicrous their attitude was in the eyes of a stranger, and they came to see that another standard than shark's teeth could be used without destroying any of the wealth of the country. At last they understood that the material of which money was made mattered little and that another medium than shark's teeth could be used and the integrity of the money would remain; that it was the relation of their medium of exchange to production which really mattered. Money is for the purpose of exchanging goods so its relation to the production of the country should be sound—

Mr. DUNNING: Hear, hear.

Mr. HAYHURST: The Minister of Finance (Mr. Dunning) says "hear, hear," to that. It goes on:

—and any other foundation for money is essentially unsound.

I hope that the discussion which this resolution is provoking in the house will be of value to all the members, and I sincerely hope that many members of the cabinet will take part in the discussion.

I think it was the Minister of Labour (Mr. Rogers) who asked the question: What is the relationship between production and purchasing power? That question probably has not yet been answered. The difficulty, as we see it, is that those who are in control of money do not issue money based upon real wealth but issue it upon some mystical standard, whether it is called the gold standard or by some other name, rather than upon the productive capacity of the country.

What we ask in this resolution is that the government should take power to create its own money based upon its own credit. In our judgment there are two great errors in

our existing economic system. First, incomes are inevitably lower than prices. Second, the government taxes us to pay interest on its credit, instead of creating its own capital money and income money. The amount of money that is paid out as income and is available to buy retail goods for consumption, as distinguished from capital money, can only be used through industry producing new goods, and in turn income money is required to buy those products of industry. The amount of income money thus distributed to the community in a given period of normal trade is less than the total sale prices of all the retail goods finished and put on the market in that period. That is one reason why all retail goods cannot be sold and a million and more producers at times are put out of work, and that is the reason why we pass through periods of depression such as we have been passing through in the last few years, and from which, through the manipulation of currency or credit control, we may escape into another period of more or less so-called prosperity. No dealing out of words can supersede realities, nor can it save the unemployed men from feeling the pinch and the degradation. The fact is there, whatever words we may use. The accumulation of capital in the form of reserves of industrial companies cannot be spent on buying consumption goods, so however huge the balance may be there is no solution to the poverty problem until that balance has been spent on incomes.

In time of war it seems that any nation is able to produce all the money it requires to make armaments. Shells are not sold, but destroyed, so that definitely brings us a little boom, because money is put into circulation for goods which are not bought in a retail market. But alas, the government borrows the money instead of creating it, and when this spurt of armament making is over it will have to collect income money in the form of taxes out of our meagre incomes in order to pay the interest on the sinking fund. More will have to be borrowed in order to help us pay our taxes. Again economists will note the inevitable slump and explain it by spots on the sun instead of advising the government to make new money for whatever expenses are necessary.

There should be no need to tax us to final hopeless poverty, if the money is not borrowed from outside the community. The trouble to-day is that we give too much prestige to our money market, which is a poor substitute for our great industries. I ask this question: Which is greater, a nation of usurers, money lenders and barterers, or a nation of producers which can provide all its steel and engineering and electrical equipment? I should judge that a nation of producers is more important than a nation of traders or usurers. As I see it, the fact is that to-day we are using a money system which has been outlived; which was perfectly satisfactory, perhaps, for an age of scarcity, but which, through the technological improvements of modern industry, has not kept pace with the times. The technological improvements of to-day have changed our entire outlook on life. This afternoon we listened to some speeches about sports. Shakespeare used these words:

> If all the year were playing holidays,
> To sport would be as tedious as to work.

To-day the engineers of the world have changed our productive capacity to such an extent that leisure and sport and play will become much more prevalent, because the "grinding necessity" of labour is no longer a necessity. In the production of all goods less economic energy is required, but it should be our object not to restrict and destroy goods, but rather to distribute them, for the object of production should be consumption.

How strange that a young country such as Canada should deliberately stop the admission of desirable elements from abroad solely because they cannot present clear and convincing evidence that they have adequate means of supporting themselves for an indefinite period after their arrival. It happens that my constituency is very largely Ukrainian, and in representing them I had the honour last year of going to the immigration department to endeavour to arrange for the admission from the Ukraine of a number of the sons and daughters of families here who had been separated by immigration officials from their relatives. But it was impossible to get any favourable answer, because we could not prove that if these people came to Canada they would be employed or would have enough money to keep them for some indefinite period of time Thus it is that the monetary conceptions of our government and many of our people are placed in the forefront of their thinking and are more important to them than the real asset of the people of this great dominion. What the dominion lacks more than anything else is people; we have tremendous resources and yet we have the

unemployed. People ask: Where is the money coming from to put these unemployed to work? We contend that the money should be issued in proportion to the productive capacity of the men; and if, as someone has said, gold has intrinsic value, it and other metals, as well as wheat and other commodities, could be used for the issuance of credit or money.

At six o'clock the house adjourned without question put, pursuant to standing order.

Thursday, January 21, 1937

The house met at three o'clock.

STANDING COMMITTEES

Hon. IAN MACKENZIE (Minister of National Defence) presented the report of the special committee appointed to prepare and report lists of members to compose the standing committees of the house, as follows:

PRIVILEGES AND ELECTIONS

Messieurs:

Anderson	MacInnis
Beaubien	Mackenzie (Vancouver)
Bennett	McCuaig
Bertrand (Laurier)	McLarty
Bothwell	McNiven (Regina)
Cahan	Massey
Campbell	Pinard
Factor	Pouliot
Fleming	Power
Fournier (Hull)	Sinclair
Gariépy	Slaght
Hall	Thorson
Kirk	Turgeon
Kuhl	Veniot—29.
Lawson	

(Quorum 10)

RAILWAYS, CANALS AND TELEGRAPH LINES

Messieurs:

Barber	Hansell
Beaubier	Hanson
Bertrand (Laurier)	Harris
Brown	Heaps
Cameron (Hastings South	Howden
Cameron (Cape Breton North-Victoria)	Hushion
Clark (York-Sunbury)	Isnor
Chevrier	Jean
Crerar	Johnston (Bow River)
Damude	Lockhart
Deslauriers	MacInnis
Duffus	MacKinnon (Edmonton West)
Dupuis	MacMillan
Edwards	McCann
Elliott (Kindersley)	McCulloch
Emmerson	McIvor
Girouard	McKay
Gladstone	McKinnon (Kenora-Rainy River)
Grant	McNiven (Regina City)
Hamilton	Marcil
Maybank	St-Père
Mercier	Stevens
Mills	Stewart
Mullins	Streight
Mutch	Sylvestre
O'Neill	Vien
Parent (Terrebonne)	Walsh
Pelletier	Wermenlinger
Pouliot	White
Ross (Moose Jaw)	Young—60.

Quorum 20)

MISCELLANEOUS PRIVATE BILLS

Messieurs:

Ahearn	Little
Barry	Lockhart
Boulanger	Macdonald (Brantford City)
Bradette	MacLennan
Brasset	Macphail (Miss)
Brown	McDonald (Souris)
Clarke (Rosedale)	McGeer
Cleaver	McGregor
Coldwell	McPhee
Deachman	Mercier
Douglas	Mulock
Dubois	Parent (Quebec West and South)
Evans	Pottier
Fair	Robichaud
Ferguson	Ross (St. Paul's)
Ferland	Senn
Gariépy	Sinclair
Girouard	Taylor (Nanaimo)
Glen	Telford
Goulet	Verville
Howard	Wilton
Hyndman	Winkler
Johnston (Bow River)	Wood
Lacombe	Young—50.
Lacroix (Quebec-Montmorency)	
Lalonde	

(Quorum 15)

BANKING AND COMMERCE

Messieurs:

Baker	Lawson
Bennett	Leduc
Cahan	Macdonald (Brantford City)
Clark (York-Sunbury)	Mackenzie (Vancouver Centre)
Cleaver	McGeer
Coldwell	McLarty
Deachman	McPhee
Donnelly	Mallette
Dubuc	Martin
Dunning	Maybank
Edwards	Moore
Euler	Perley (Qu'Appelle)
Fiset, Sir Eugène	Plaxton
Fontaine	Quelch
Fournier (Hull)	Raymond
Fraser	Ross (Middlesex East)
Harris	Rutherford
Hill	Stevens
Howard	Thorson
Hushion	Tucker
Jacobs	Vien
Jaques	Ward
Kinley	White
Kirk	Woodsworth—50.
Lacroix (Beauce)	
Landeryou	

(Quorum 15)

PUBLIC ACCOUNTS

Messieurs:

Ahearn
Anderson
Barry
Beaubien
Betts
Black (Chateauguay-Huntingdon)
Blais
Blanchette
Bothwell
Brooks
Cameron (Cape Breton North-Victoria)
Casselman
Church
Douglas
Dussault
Elliott (Kindersley)
Factor
Ferland
Fleming
Fournier (Maisonneuve-Rosemount)
Fraser
Glen
Golding
Goulet
Grant
Graydon
Leader
MacKinnon (Edmonton West)
MacNeil
McCann
McDonald (Pontiac)
McKinnon (Kenora-Rainy River)
McLean (Melfort)
Marshall
Mullins
Needham
Patterson
Purdy
Rickard
Rowe (Athabaska)
Slaght
Stewart
Streight
Taylor (Norfolk)
Thauvette
Tremblay
Turgeon
Verville
Wermenlinger
Wood—50.

(Quorum 15)

AGRICULTURE AND COLONIZATION

Messieurs:

Beaubier
Bertrand (Prescott)
Black (Chateauguay-Huntingdon)
Blair
Bouchard
Boulanger
Clark (Essex South)
Cochrane
Coldwell
Davidson
Donnelly
Douglas
Dubois
Dupuis
Evans
Fontaine
Furniss
Gardiner
Golding
Gosselin
Graydon
Hayhurst
Johnston (Lake Centre)
Lacombe
Lalonde
Leader
Leclerc
Lennard
MacKinnon (Edmonton West)
MacLean (Prince)
Macphail (Miss)
MacRae
McDonald (Souris)
McKenzie (Lambton-Kent)
McLean (Melfort)
McNevin (Victoria, Ont.)
Mitchell
Motherwell
Mullins
Needham
Patterson
Perley (Qu'Appelle)
Reid
Rennie
Rhéaume
Roberge
Robichaud
Ross (Middlesex East)
Rowe (Dufferin-Simcoe)
Senn
Spence
Stirling
Taylor (Norfolk)
Thompson
Tolmie
Tomlinson
Turner
Ward
Weir
Wood—60.

(Quorum 20)

STANDING ORDERS

Messieurs:

Baker
Barry
Bertrand (Prescott)
Brunelle
Denis
Fleming
Heaps
Isnor
Jacobs
Leclerc
McCuaig
Plaxton
Poole
Pottier
Rowe (Dufferin-Simcoe)
Rutherford
Thauvette
Thompson
Turgeon
Turner—20.

(Quorum 8)

MARINE AND FISHERIES

Messieurs:

Brasset
Brooks
Brunelle
Cameron (Cape Breton North-Victoria)
Clark (Essex South)
Farquhar
Ferron
Fiset, Sir Eugène
Gauthier
Green
Hanson
Hill
Kinley
Lapointe (Matapedia-Matane)
MacLean (Prince)
MacNeil
MacNicol
McCulloch
McDonald (Souris)
Marcil
Michaud
Neill
Pelletier
Pottier
Reid
Rickard
Ryan
Stirling
Taylor (Nanaimo)
Telford
Tolmie
Tomlinson
Tustin
Veniot
Ward—35.

(Quorum 10)

MINES, FORESTS AND WATERS

Messieurs:

Black (Mrs.)
Blais
Bradette
Campbell
Clarke (Rosedale)
Cochrane
Crerar
Crète
Esling
Farquhar
Ferguson
Hamilton
Hanson
Hartigan
Hayhurst
Hill
Hurtubise
Hyndman
Johnston (Bow River)
Lacroix (Beauce)
Little
MacKenzie (Neepawa)
MacLennan
MacMillan
MacNicol
McDonald (Pontiac)
O'Neill
Parent (Quebec West and South)
Patterson
Roberge
Stevens
Sylvestre
Taylor (Nanaimo)
Tolmie
Tremblay—35.

(Quorum 10)

INDUSTRIAL AND INTERNATIONAL RELATIONS

Messieurs:

Barry
Betts
Black (Mrs.)
Blackmore
Church
Crète
Deslauriers
Dubuc
Gladstone
Grant
Hartigan
Hill
Howard
Howden

Isnor
Jean
Lacroix (Quebec-Montmorency)
Leduc
MacInnis
MacKenzie (Neepawa)
MacNicol
Macphail (Miss)
McGeer
McIntosh
McIvor
McKay
McLean (Simcoe East)
Martin
Massey
Neill
Perley, Sir George
Rogers
Rowe (Athabaska)
St-Père
Tucker—35.

(Quorum 10)

DEBATES

Messieurs:

Esling
Finn
Gauthier
Hall
MacKinnon (Edmonton West)
McIntosh
McNevin (Victoria, Ont.)
Marcil
Perley, Sir George
Pinard
Pouliot
Ryan—12.

(Quorum 7)

PRINTING OF PARLIAMENT

(Members to act on the part of the Commons)

Messieurs:

Barry
Bertrand (Laurier)
Casselman
Chevrier
Damude
Davidson
Denis
Douglas
Dussault
Elliott (Kindersley)
Esling
Evans
Ferron
Fleming
Fournier (Maisonneuve-Rosemount)
Gauthier
Green
Hansell
Hurtubise
Hushion
Jean
Kirk
Lapointe (Matapedia-Matane)
Leduc
Lennard
Little
MacInnis
MacKinnon (Edmonton West)
MacLean (Prince)
McGregor
McIntosh
McKenzie (Lambton-Kent)
McNevin (Victoria, Ont.)
Marshall
Mills
Moore
Mullins
Mulock
Mutch
Pinard
Purdy
Reid
Ross (St. Paul's)
Ross (Middlesex East)
Rutherford
St-Père
Taylor (Nanaimo)
Thompson
Tucker
Tustin
Veniot
Weir
Wilton
Winkler—54.

LIBRARY OF PARLIAMENT

(Members to act on the part of the Commons)

Messieurs:

Ahearn
Blackmore
Blair
Blanchette
Bothwell
Bouchard
Bradette
Brasset
Cameron (Hastings South)
Cameron (Cape Breton North-Victoria)
Campbell
Casselman
Duffus
Emmerson
Fournier
Grant
Green
Hamilton
Hyndman
Johnston (Lake Centre)
Kuhl
Lennard
MacInnis
MacKinnon (Edmonton West)
MacLennan
MacNeil
Macphail (Miss)
Mallette
Martin
Mercier
Moore
Mutch
Parent (Quebec West and South)
Parent (Terrebonne)
Raymond
Reid
Rennie
Ross (St. Paul's)
Ryan
St-Père
Spence
Walsh
Winkler
Young—44.

PARLIAMENTARY RESTAURANT

(Members to act on the part of the Commons)

Messieurs:

Barber
Bertrand (Prescott)
Fafard
Fraser
Grey
Hill
Howden
Landeryou
MacInnis
MacMillan
Macphail (Miss)
McLean (Simcoe East)
Moore
O'Neill
Purdy
Roberge
Sinclair
Spence
Taylor (Norfolk)
Tustin—20.

Mr. LAPOINTE (Quebec East) moved that the report be concurred in.

Motion agreed to.

POWERS OF COMMITTEES

Hon. ERNEST LAPOINTE (Minister of Justice) 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.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

CANADIAN WHEAT BOARD

Mr. COLDWELL:

1. Is the wheat board functioning as required by statute?
2. Are members of said board actively engaged in the activities of the said board?
3. What salary or emolument was paid to each member of the board during the year 1935?
4. Are said salaries or emoluments still being paid?

Mr. ROGERS:

1. Yes.

2. Yes.

3. Board appointed August 14, 1935.

John I. McFarland, Chief Commissioner, August 14, 1935 to December 3, 1935, at rate of $18,000 per year.

D. L. Smith, Assistant Chief Commissioner, August 14, 1935 to December 3, 1935, at rate of $17,000 per year.

H. C. Grant, Commissioner, August 14, 1935 to December 3, 1935, at rate of $15,000 per year.

Board appointed December 3, 1935.

J. R. Murray, Chief Commissioner, December 3, to December 31, 1935, at rate of $18,000 per year.

G. H. McIvor, Assistant Chief Commissioner, December 3, to December 31, 1935, at rate of $15,000 per year.

Dean A. M. Shaw, Commissioner, December 3, to December 31, 1935, at rate of $15,000 per year.

4. Yes. To members of the board appointed December 3, 1935.

MAJOR B. D. C. TREAT

Mr. POULIOT:

1. Did Major B. D. C. Treat, M.C., of Surrey, England, spend some time in the Department of National Defence in Ottawa, and, if so, how long?

2. When did he arrive in Ottawa?

3. At whose invitation did he come?

4. Is he still here?

5. If not: (a) when did he leave, and (b) will he come back?

6. If so, when will he come back?

7. What was he doing in England before coming here?

8. Previous to his coming here, did he visit other parts of the British Empire, and, if so: (a) in what capacity, and (b) where?

9. Since his arrival in this country, what has he been doing?

10. Does he receive any salary, compensation, bonus, gratuity or pay of any kind?

11. If so, by whom is it paid?

12. Does he receive any travelling allowances; if so, how much, and by whom is it paid?

13. Are there other officers from England in the Department of National Defence?

14. If so, how many are there; since when, and at whose request have they come?

15. With respect to such officers: (a) what salary, compensation, bonus, gratuity or pay of any kind is paid to them; (b) what travelling expenses are each of them allowed, and (c) by whom are these paid?

Mr. MACKENZIE (Vancouver):

1. Yes, on loan, 20 days.

2. October 3, 1936.

3. Department of National Defence.

4. No.

5. (a) December 15, 1936; (b) Not expected.

6. See 5 (b).

7. From February 16, 1933, to December 31, 1935, officially listed as Major Instructor in Gunnery, Coast Artillery School, Shoeburyness, England; otherwise unknown.

8. Not known, but it is presumed that he did not.

9. Advising on coast defences.

10. Pay of his rank from date of embarkation for Canada to date of his disembarkation in England.

11. Department of National Defence.

12. (a) Actual travelling expenses; (b) $448.86; (c) Department of National Defence.

13. Yes.

14. Ten officers as follows:

Naval Service.—One commissioned gunner since February 24, 1935; one commander since July 30, 1936.

Both these officers have been loaned to the Royal Canadian Navy at the request of the Department of National Defence.

Militia Service.—One captain and brevet major since April 1, 1935; one captain since October 28, 1935; One captain since October 1, 1936; one captain since November 28, 1936; one lieutenant since October 30, 1936.

Air Service.—Three flight lieutenants since April 2, 1935.

The Army and Air Force officers are on exchange for a two year period, and are replaced in the British Service by a Canadian officer in each case.

So far as concerns the Militia Service, the policy of interchange of officers between the Defence Forces of the Dominions and the United Kingdom was affirmed at the Imperial Conference of 1907.

In regard to the Air Service, an interchange agreement was arranged at the Imperial Conference in 1923, and subsequently ratified by Order in Council (P.C. 1424) dated September 2, 1925.

15. (a) The two Naval officers on loan receive the pay and allowances authorized for officers of similar rank in the Royal Canadian Navy, viz., commander, $16.85 per diem, commissioned gunner, $6.25 per diem.

The Army and Air Force officers on exchange receive the ordinary pay and allowance of the rank or appointment held by them in their own service, at the rates and under the regulations governing that service. If, however, they are employed by Canada in an appointment other than that which they hold in their own service and for which additional pay would be provided were the appointment held in that service, they receive the additional pay attached to that appointment at British rates.

(b) All officers receive transportation and travelling expenses to and from Canada, and for all journeys duly authorized while serving in Canada.

(c) Naval officers on loan:

Their pay and allowances and all transportation and travelling expenses are paid by the Department of National Defence.

Army and Air Force officers on exchange:

Their ordinary pay and allowances are paid by the British government. The additional pay, if any, for an appointment is paid by the Department of National Defence. At the present time no officer is receiving such additional pay. Transportation and travelling expenses to and from Canada are paid by the British government, and the transportation and travelling expenses while serving in Canada are paid by the Department of National Defence.

Similarly, in the cases of Canadian exchange officers serving with the British forces, the Department of National Defence pays the ordinary pay and allowances and their transportation and travelling expenses to and from Canada, and the British government pays the additional pay, if any, for an appointment and their transportation and travelling expenses while serving with the British forces.

TWEEDSMUIR, SASK., POSTMASTER

Mr. COLDWELL:

1. Who was the postmaster at Tweedsmuir, Saskatchewan, during 1936?
2. Who is the present appointee?
3. Was the former postmaster a returned soldier?
4. How long has the new appointee been a British subject?
5. Is he a returned soldier?
6. Did the former postmaster offer to move his building to a new site if desired?
7. Were residents circularized regarding the location of the post office?
8. If so, who supplied a list to which the said questionnaire was sent?
9. How many residents requested a change in the location of the post office building?
10. How many desired retention of the services of the present postmaster?

Mr. ELLIOTT (Middlesex):

1. Robert K. Hamilton.
2. A. L. Jacobsen in a temporary capacity.
3. Yes.
4. No information.
5. No record.
6. No, Mrs. Hamilton, wife of the postmaster, expressed the willingness to do so. The question of postmaster's ability to obtain suitable site entered into this.
7. Yes, by the local district superintendent of postal service.
8. The former postmaster, R. K. Hamilton.
9 and 10. Thirty-six were satisfied with the present location and postmaster, thirty-six desired a change, and of these thirty-six, no less than thirty were so insistent on a change that they refused to patronize the Tweedsmuir office.

In the interest of harmony, a change was considered essential and was carried out on the recommendation of the district superintendent of postal service.

SYLVAN LAKE, ALTA.—BREAKWATER

Mr. POOLE:

Will a breakwater be built at Sylvan Lake, Alberta, this year?

Mr. CARDIN: The proposal is under consideration.

INSPECTION OF CANADIAN PASSENGER BOATS

Mr. WILTON:

1. To what extent are Canadian boats which are licensed for passenger service, inspected before being put into service each season?
2. How many inspectors are engaged by the government for this work, and to what extent do they inspect passenger service boats before allowing them to be put into service?
3. Is it a fact that passenger boats plying in Canadian waters with a carrying capacity of one thousand passengers have only lifeboat equipment for less than two hundred people?

Mr. HOWE:

1. (a) The boilers and machinery are opened out for inspection annually.

(b) The hull as far as can be seen without the ship being taken out of the water is inspected annually, as is the lifesaving and other equipment.

(c) Where a ship is one plying in salt water, the bottom of the ship, the rudder and sea connections are examined with the ship in drydock annually.

(d) Where a ship is one plying in fresh water, the bottom of the ship, the rudder and sea connections are examined with the ship in dock every second year or every fourth year, according to the nature of the waters in which the ship is employed.

(e) The tailshafts are drawn for inspection at periodic intervals varying from two to four years, according to the arrangement of the shaft and the waters in which the ship is employed.

2. The organization of the steamship inspection service provides for thirty-two steamship inspectors.

The extent to which passenger vessels are inspected is given in answer to question No. 1.

3. A passenger boat with a carrying capacity of 1,000 passengers might have lifeboat equipment for less than 200 persons. She

would, however, have other equipment in the way of buoyant apparatus or life rafts, which, with the boats, would provide for a certain percentage of the total complement, ranging from 100 per cent to 40 per cent, according to whether the vessel were employed in open waters or sheltered waters. Every ship is required to carry a lifejacket for each person on board.

BURLINGTON CHANNEL INSPECTORS

Mr. LENNARD:

1. Who are the inspectors for the government of the dredging of Burlington channel and of the reconstruction of South Pier, Burlington channel?
2. Were these appointments made by the Civil Service Commission?
3. If so, where did they try their examinations, and when?

Mr. CARDIN:

1. (a) W. H. Caldwell, W. S. Costie. (b) W. H. Caldwell.
2. No, appointments made under authority of provisions of item 425 of special supplementary estimates, 1936-37, page 16.
3. Answered by No. 2.

WILLOW COVE, ONT., POST OFFICE

Mr. LENNARD:

1. Upon whose suggestion was Willow Cove post office, Ontario, so named?
2. Were the residents of that district consulted in the matter?

Mr. ELLIOTT (Middlesex):

1. J. T. Easterbrook, the incoming postmaster.
2. No information. No objections received by department.

WASHINGTON TEXTILE CONFERENCE

Mr. LENNARD:

Will the government have representation at a conference to be held at Washington, D.C., during the first week of April, 1937, of governments, employers and workers of all countries that are textile producers?

Mr. ROGERS: The question of Canadian representation is presently receiving consideration.

LETTER CARRIER SERVICE

Mr. LENNARD:

1. What is the population or yearly postal revenue required in a town or city, before postal delivery service can be incurred?
2. What was the postal revenue of the town of Dundas, Ontario, during the year 1936?

Mr. ELLIOTT (Middlesex):

1. The main factors governing the inauguration of letter carrier service are: (a) population to be served; (b) postal revenue collected; (c) density of population; (d) postal accommodation for carrying on business; (e) time of arrival of mails; (f) local improvements, such as, sidewalks, receptacles for the receipt of mails, labelling of streets, numbering of houses, etc.

There is no hard and fast rule as regards postal revenue collected or population to be served. The department does endeavour to restrict the inauguration of letter carrier delivery to points where the revenue is approximately $30,000 and the population 10,000.

There are, however, cases where due to the exigencies of the service, letter carrier delivery has been established at points where these limits have not been met.

2. $16,478.40 (fiscal year, 1935-36).

KINISTINO INDIAN RESERVE

Mr. FLEMING:

1. How many Indians are there in the Kinistino reserve No. 91?
2. What arrangements have the Department of Indian Affairs made for the education of the Indians of this reserve?
3. Who is the medical officer for the reserve?
4. What was the remuneration in fees that he received in the last year?
5. How far does the medical officer live from the reserve?
6. What report did the medical officer make of the health of the Indians on the Kinistino reserve?
7. What was the total amount of machinery that was purchased in 1935, 1936 and 1937?

Mr. CRERAR:

1. 109.
2. The Indian children are eligible for placement in residential schools near the reserve.
3. Dr. L. W. Brigham, Brooksby, Sask.
4. $479.50.
5. 36 miles.
6. Usual diseases, with special reference to tuberculosis, venereal disease and measles. Births—Treaty year May 1935 to May 1936, 3; deaths in same period, 4.
7.

1935	$165.00
1936	24.89
1937	——
	$189.89

GRANTS TO FAIRS, QUEBEC

Mr. LACOMBE:

1. Does the federal Department of Agriculture make grants to agricultural fairs in the province of Quebec?
2. If so, what fairs have received grants?
3. What is the amount of the grant given to each of these fairs during the year 1936?

Mr. GARDINER:

1. Yes.

2.

Class "A" Fairs	Amt. of Grant
Provincial Exhibition of Quebec, Quebec	$3,998.35
Canada's Great Eastern Exhibition, Sherbrooke	4,000.00
St. Lawrence Valley Exhibition, Three Rivers	3,980.00
Valleyfield Exhibition, Valleyfield	3,757.15
Class "B" Fairs	
Stanstead County Exhibition, Ayer's Cliff	1,986.00
Brome County Agricultural Society, Brome	1,853.00
Compton County Agricultural Fair, Cookshire	2,025.46
Agricultural Society of Jacques Cartier, Montreal (undetermined balance due)	950.00
Quebec Regional Exhibition, Quebec	1,700.00
Roberval Agricultural Society, Roberval	2,087.00
Agricultural Society of District of St. Hyacinthe, St. Hyacinthe	3,168.00
St. Scholastique Exhibition, St. Scholastique	1,844.00
Shefford County Exhibition, Waterloo	1,940.00
Winter Fairs and Spring Shows	
Lachute Spring Show, Lachute	4,654.00
Ormstown Spring Show, Ormstown	5,788.50
Canada's Great Eastern Winter Fair, Sherbrooke	5,000.00
General	
Quebec Provincial Poultry Exhibition, Montreal	1,125.00
Fox Breeders' Association, Province of Quebec	800.00

3. Included in Answer 2.

REGINA RIOTS, 1935

Mr. COLDWELL:

1. What was the total cost of the dominion and provincial authorities in connection with the inquiry into the Regina riots during the year 1935?

2. What was the total cost to the dominion authorities in this connection?

3. What are the names of those who were employed by the dominion government in connection with this inquiry?

4. What payments were made to each of the said counsel: (a) during the fiscal year 1934-1935; (b) during the current fiscal year?

Mr. LAPOINTE (Quebec East): Mr. Speaker, of course I canot give any reply as to the cost to the provincial authorities. As to the other part of the question, I will have the answer ready to-morrow.

Question stands.

CANADIAN WHEAT BOARD ACT*

Mr. PERLEY (Qu'Appelle):

Will the Canadian Wheat Board Act, 1935, be repealed during the present session?

Mr. ROGERS: Mr. Speaker, in its present form this does not appear to be a proper question. I believe it is a well established rule that the government of the day reserves to itself the time for making any declaration as to policy.

QUESTIONS PASSED AS ORDERS FOR RETURNS

DENTAL SERVICES TO INDIANS, BRITISH COLUMBIA

Mr. BARBER:

1. What was the cost of dental services to Indians in the province of British Columbia during each of the calendar years 1934, 1935, and 1936?

2. What was the cost of this service in each of the Indian residential schools of British Columbia for each of the said years?

3. What is the name and address of the dentist or dentists employed for this service in each residential school, during each of the said three years?

4. What is the tariff of fees allowed?

5. Has a dental survey been made of any or all of these schools?

6. If so, what was the result of the survey?

7. Will this service be supplemented?

8. Has any change been made in dental services to the Indians in British Columbia by the present government?

9. Are local dentists given this work?

10. If not, what dentists will be employed to carry out this service throughout the province of British Columbia, and where do they reside?

11. Will the same tariff of fees be continued or will a per diem allowance with expenses be substituted?

BANFF NATIONAL PARK APPROPRIATION

Mr. BLACKMORE:

1. What is the total amount of the appropriation allotted by the dominion to be expended in the Banff national park for the financial year ending March 31, 1936? (This is not to include any sums specially allocated for public works projects or payments for relief employment, but merely the ordinary annual appropriation.)

2. What were the total receipts from all sources from the Banff national park during the financial year ending March 31, 1936? (This is to cover all payments by both residents and tourists, including such items as ground rents, sewer and water rates, car licences, hot springs receipts, camping permits, and in fact, all moneys paid into the park offices at Banff.)

3. What was the total amount of appropriation for the year ending March 31, 1936, which was expended in wages of government employees other than office staff and permanent employees, such as game wardens in this park? (This is merely the total monthly pay rolls made out for Banff.)

4. What is the total amount of the appropriation for office salaries for the parks branch in Banff, during the year ending March 31, 1936?

Mr. CRERAR: Return tabled herewith.

TRANS-CANADA HIGHWAY

Mr. MALLETE:

What sums were paid to each of the provinces in connection with the trans-Canada highway during the year 1936?

DEPARTMENT OF NATIONAL REVENUE

Mr. LAPOINTE (Matapedia-Matane):

1. Who are the customs, excise, and income tax commissioners in the Department of National Revenue?
2. What are their salaries?
3. Are they bilingual?
4. (a) How many officers of that department receive a salary above $2,000; (b) what are their names, and (c) which are bilingual?
5. (a) How many officers of said department receive less than $2,000, and (b) how many are bilingual?

LOAN OF $85,000,000

On the orders of the day:

Mr. RALPH MAYBANK (Winnipeg South Centre): Mr. Speaker, before the orders of the day are called I should like to address a question to the Minister of Finance (Mr. Dunning). I notice advertisements in this morning's papers for an issue of government bonds to the amount of $85,000,000. Is the minister prepared to make a statement touching the matter, or to give any information in relation to it?

Hon. CHARLES A. DUNNING (Minister of Finance): Mr. Speaker, the hon. member was good enough to advise me of his question, and I have a statement prepared in the matter which I believe should be made to the house.

The $85,000,000 dominion government loan which is advertised in the morning papers is being offered for the purpose of redeeming the $89,787,000 five per cent war loan bonds which mature on March 1 next. The new issue will take the form of $30,000,000 seven-year 2¼ per cent bonds dated January 15, 1937, and maturing January 15, 1944, priced to the public at 99½ and accrued interest, to yield approximately 2·327 per cent; and $55,000,000 thirty-year 3 per cent bonds dated January 15, 1937, and maturing January 15, 1967, priced to the public at 98 and accrued interest, to yield approximately 3·10 per cent. The seven-year bonds are redeemable at par as a whole at the option of the government on or after January 15, 1943, upon thirty days' notice, and the thirty-year bonds are redeemable in whole or in part at the option of the government on any interest payment date upon sixty days' notice at the following prices:

On or prior to January 15, 1942, at 105; thereafter
to and including January 15, 1947, at 104; thereafter
to and including January 15, 1952 at 103; thereafter
to and including January 15, 1957 at 102; thereafter
to and including January 15, 1962 at 101; and thereafter
at par.

In keeping with our general policy, it was considered advisable to make it possible for the dominion to call the thirty-year bonds at any time during the life of the bonds.

The war loan bonds which mature on March 1, and which are to be paid off out of the proceeds of this issue, together with a certain amount of cash from the dominion treasury, are payable in New York and Canada, and it is believed that a very large percentage of the bonds are now held in the United States. As a Canadian offering would have necessitated a very difficult, if not an impossible, exchange transfer problem, the new bonds are being offered in the United States and will be payable in legal tender currency of the United States. The new issue has been registered with the Securities and Exchange Commission, Washington, under the United States Securities Act of 1933, the registration statement having become effective to-day.

The new issue is being offered by an underwriting syndicate under the leadership of Morgan Stanley and Company and consisting of thirty-nine other underwriting houses including a number of Canadian investment dealers.

It will be recalled that the 5 per cent war loan bonds which are being retired by the new issue represent one of the two remaining tax-free issues of the dominion government. The other tax-free issue is the $236,209,800 5½ per cent victory loan which matures on December 1 next, and which we intend to refund by means of an issue payable in Canada only. We expect, therefore that the year 1937 will see the last of Canada's tax-free bond issues which were floated during the war period.

The rates obtained on the new issue in New York represent, I believe, the lowest rates ever obtained for a Canadian bond offering of comparable maturities in that market. It will be apparent that the new offering will result in a substantial saving to

the dominion treasury, not only because of the reduction of nearly $2,000,000 in annual interest charges, but also because of the increase in income tax revenue as a result of the elimination of the tax-free feature.

The house will be interested to know that reports from New York this morning indicate that the sale of the issue is proceeding very satisfactorily.

Mr. BENNETT: The minister has failed to indicate the price to the underwriters.

Mr. DUNNING: I have that information. The price received by the government for the seven-year bonds was 98¼, or a yield basis of 2·525, and the price received by the government for the thirty-year bonds was 96, or a yield basis of 3·21.

CANADA—UNITED KINGDOM TRADE AGREEMENT

On the orders of the day:

Right Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, not as a matter of curiosity but because there seems to be a great deal of uncertainty in business circles regarding the matter, I should like to ask the Minister of Finance (Mr. Dunning) when we may expect to have tabled the Canada-United Kingdom trade agreement. Perhaps, too, he could inform us whether or not, under circumstances of which he only would have knowledge, it is probable that the agreement will be made available before the presentation of the budget. The matter has been brought to my attention recently in several ways, and I promised to ask a question in order to permit a public statement by the minister.

Hon. CHARLES A. DUNNING (Minister of Finance): Mr. Speaker, of course the question is a perfectly proper one, but it is rather difficult to give a complete answer. As was indicated in the speech from the throne, while in principle an agreement has been reached, the detailed drafting is now proceeding, and definite arrangements between the two governments have yet to be made with respect to the precise date upon which the agreement can be finally executed and made available. I appreciate the reasons advanced by my right hon. friend for expediting the matter as much as possible, namely business uncertainty resulting from the expectation of changes. The government is considering the matter of whether or not the agreement will precede or form part of the budget.

Mr. BENNETT: That is the important matter about which I wished to ask. I thank the minister.

PURCHASING POWER

PROPOSED CREATION AND ISSUE OF NATIONAL CREDIT FOR IMPROVEMENT OF ECONOMIC CONDITIONS

The house resumed from Wednesday, January 20, consideration of the motion of Mr. Blackmore:

That, in the opinion of this house, the Canadian government should consider the advisability of beginning this year to issue purchasing power, and to use that purchasing power for the improvement of the economic condition of the Canadian people.

Mr. WILLIAM HAYHURST (Vegreville): Mr. Speaker, it is my privilege on this occasion to take part in this vital and important debate. Yesterday afternoon the hon. member for Huron North (Mr. Deachman) said that Houdini on the stage took rabbits out of a hat, but Houdini could not make a living by selling rabbits. In this kind of language he attempts to suggest that our proposals involving a new economic system are based upon juggling tactics. There is Houdini-like juggling taking place to-day, but it is done by the financiers. They juggle money to please themselves, irrespective of the productive capacity of the nation. Houdini made his living by fooling the public; to-day the financial wizards make their living by doing likewise. They take the profit out of the medium we call money and credit, a medium which should not be based upon a profit motive, but which should be the blood stream of human society. The arguments of yesterday seemed to me to fail because they did not recognize that money should be the servant of mankind and not its master. To-day we are worshipping the golden calf almost as effectively as it was worshipped in days of old.

For instance, the price of gold has been fixed at a certain point. We know that to-day gold is worth around $35 per ounce. It is thus made profitable for the gold producers to take great chances in finding new fields. Gold is a metal of intrinsic worth and value, but it should not have such a tremendous importance in our monetary system. If the price of gold can be fixed at $35 per ounce, why should not the price of wheat, of beef, or of other necessities of life be fixed at an equal standard of value? We sell wheat at twenty cents per bushel and at $1.20 per bushel, which on the face of it is an utter absurdity. Some of my hon. friends no doubt think that this wheat must be exported and sold on a market which will depress the price according to the export value of the wheat. Under the new economics we recognize that wheat and other commodities are as valuable

as gold, nickel, platinum, copper or any other metal. These commodities should have an intrinsic value and worth, and the productive capacity of mankind should not be drastically curtailed by financiers who feel that the piling up of goods is necessarily an extravagance on the part of the people. We cannot build a superstructure on a rotten foundation. We feel that the new economic problem we are facing to-day is something which has been built upon our capital structure. In our anxiety to make the world safe for democracy it is a matter of real urgency that we do not tip the baby out with the bath water.

We realize the capitalism as it exists to-day can be made to operate both ways, for the good of mankind or for the destruction of mankind. Some people are advocating the discarding of capitalism, but I believe that that is moving too fast. Democracy must be made safe for the individual. Yesterday the hon. member for Huron North was suggesting that we might purchase the Royalite oil wells in Alberta or the Noranda mines in Quebec. That is not the principle of social credit. The principle of social credit is to give back to the people and to the government the absolute control of money, credit and currency. These should be taken away from private individuals, from the banking system as it exists to-day. We are not advocating the ownership of any productive machinery because we believe that if the capitalistic system were made to work for the welfare of mankind it would be quite capable of producing wealth in abundance.

Some people say that we should be niggardly and save in order to buy more bonds with which our country would be put more into debt. I think we might as well attempt to save acorns instead of planting them to grow into great oaks. The capitalistic system of to-day is capable of producing wealth in abundance, therefore we feel that a new economic or monetary system should be established to take care of that tremendous production, irrespective of booms and depressions. This new system would take care of the welfare of all our people, not only those who are blind or who were wounded overseas in the great war. Everyone would be taken care of irrespective of class and position in life. The people are the basis of the wealth of a nation.

We feel that we should creep before we walk. We are not out to destroy capitalism. We are not communists, neither are we followers of the nazi doctrine. We believe in an economic democracy, but we contend that money should be controlled by the people. Many questions are asked as to whether sufficient can be produced in this country. I am reminded of the proverb, "consistency, thou art a jewel." I feel that at all times we should be consistent. It is a wrong management of money that restricts production. If we save up or regiment our men to be soldiers and then deliberately sabotage not only the national wealth but man power through international rivalries brought about by the continual struggle for markets and credits abroad, then I say that civilization is doomed.

I feel that we should establish in our minds a wealth creating philosophy as opposed to a debt creating philosophy. Our country is not poor except in terms of money. There is not another country in the world more richly endowed by nature than Canada. Yet here in Canada we find thousands of people who believe in the so-called orthodox economics of scarcity, when in fact the productive capacity of the country is capable of supplying all the needs of her citizens. Many have said that inflation will ruin our nation, but a study of the situation proves that it is deflation rather than inflation that is the cause of untold poverty, distress and suffering. We do not wish for inflation. A shower is better than a flood.

Some say that this creative money would pile up and never be cancelled. It is an extraordinary thing that the same people never complain of a system under which debt piles up and is never cancelled. At the present time we have a debt economics, but if our money represented the produced wealth of the country we would have a wealth economics, which would in time balance or distribute our debt. There was an old saying of the pioneers on this great North American continent: We raise more grain to feed more hogs to get more money to buy more land to raise more grain to feed more hogs to get more money to buy more land, and so on. It is ridiculous to think that such are the actual conditions in Canada to-day. Here we are consuming less in order to increase our ability to produce more in order to consume less in order to increase our ability to produce more. Surely the old philosophy of tightening one's belt should not prevail in the civilized world to-day when mankind by advancement in technological skill is now able to produce wealth in abundance. Imagine telling people to-day to tighten their belts, to increase their capacity to produce more by consuming less. It is an absolute necessity that purchasing power should be put into the hands of the consumers in order that the consuming capacity will more nearly equal the productive capacity of mankind.

We have struggled for our liberty in this great empire of ours. We have struggled for the liberty of the individual, and we are no longer slaves. We and our ancestors have fought in order that we may be free men. Our ancestors have struggled in the past and we have continued to struggle for political liberty, for political enfranchisement, for the right to vote. We have won these privileges, and the result is that to-day most of our people have the right to vote, except in the province of Quebec, across the river from here, where they still recognize women as in the same class as the insane and the Indians and have not yet seen the necessity of giving women the vote as persons.

We have struggled for our political freedom and we hold it dear. We have fought for our individual freedom and enjoy that freedom to-day. But we are now facing a greater fight than ever. We are facing a fight for financial freedom and economic liberty. We are now asking that the government exercise the power which they have to create their own credits and take away that power from those who exercise it to-day, further that the government issue those credits free of interest and free of the profit motive. As I said at the outset, money and credit are the blood-stream of society, and if the profit motive is allowed to stay in this great blood-stream of society, civilization itself will fall.

It has been suggested by some that we should be hard, that we should train and discipline our people to be soldiers. They tell us to go back to the old days of the pioneers who ploughed and sowed and reaped, using their own muscular energy and earning their living by the sweat of their brow. But, Mr. Speaker, I say that we shall not see such conditions again. You remember Longfellow's description of the village blacksmith:

> The smith, a mighty man is he,
> With large and sinewy hands.

In how many villages in Canada do you find the smith to-day? His day is past, and it is impossible for us to think of going back to the days of the pioneers and using their ancient methods. To-day is the day of farm machinery, of technological advancement and great productive capacity; the methods of the old pioneering days are gone forever. The scientific and inventive genius of man has solved our production problem by devising better methods, and we feel that the financial system should now reflect our greater productive capacity.

Before I close I should like to give a quotation from Professor Irving Fisher's book, from which my leader quoted yesterday, "100% Money." Mr. Hemphill, in his introduction, says:

> Our statesmen have consistently declined to study this question and provide a sound monetary system, an adequate permanent currency, scientifically calculated to expand consistently with our increasing population and our increasing ability to produce.
>
> Somehow, the intelligent public of this nation must learn the fundamentals of this question. We can no longer depend upon our banking system to furnish all the money we have to do business with. The principal reason this depression continues is that the banks are not lending, and as a result, the money with which to expand business does not exist. It is so simple that business men largely overlook this fundamental situation and continue to search for some economic "fourth dimension" to explain our distressing situation, but there is no mysterious force defeating our efforts to exchange goods and services. We haven't the money nor any substitute in circulation, and that is the essence of the story.
>
> In Professor Fisher's book, he presents in lucid detail the operation of this erratic banking-monetary system, and the obvious remedy. It is the most important subject intelligent persons can investigate and reflect upon. It is so important that our present civilization may collapse unless it is widely understood and the defects remedied very soon.
>
> It is your problem and mine.

There are probably many, sir, in this new era upon which we have entered who blindly refuse to recognize that great truth. We must remember that if evolution is not allowed to proceed in an orderly way, if it is dammed up first at one point and then at another, the same forces that make for evolutionary progress will likely blast a way by revolutionary methods. And so, Mr. Speaker, we hope that the House of Commons and the people of Canada will give earnest consideration to these new questions which are facing them. The main question before us to-day is who is to control the future monetary policy of this country, and shall not the profit motive be taken away and the credit of the nation be used for the welfare of the people of the country!

Mr. T. J. O'NEILL (Kamloops): In rising to speak to this resolution I may say that I am not an advocate of Mr. Aberhart or of Mr. Douglas, nor am I a supporter of social credit. But I do not believe that this resolution is social credit. I have long been of the opinion that some kind of monetary reform is overdue. I am a Liberal, but not because I believe that Liberalism is a cure for all our troubles. Nor do I believe that party government is a cure-all. It is my

view that if democracy is to survive we must have party government, but I hold that if the principles of the Liberal party are complied with we shall be able to bring about the monetary and other reforms that are required.

The problem of unemployment is, in my opinion, nearly as acute to-day as it was when this government came into power. It is without question the outstanding problem of the times, and it is very closely allied with that of credit. Prior to the election, in fact prior to the nomination, I held practically the same views as regards monetary reform that I hold to-day, and I expressed those views not only in the Liberal party but in public. With the abundant evidence that there is on all sides of poverty and distress, I see every reason for continuing to believe in the soundness of that viewpoint. When anyone to-day dares to voice an opinion that does not coincide with that of advocates of the present so-called sound money system, he is immediately held up to the most belittling ridicule and the most withering sarcasm. I regret that during this debate there has not been shown a little more of the Liberal principle of toleration.

To illustrate the point I am trying to make: during the year 1930 it seemed advisable to the then government that a loan should be floated for the purpose of refunding. I have no intention at this time of criticizing the government of that day, because I believe that any other government would have done the same thing under this system. They required a loan of some hundred million dollars for the purpose of refunding. Not being very sure of the feeling of the people at that time, the premiers of the nine different provinces, together with the then acting prime minister, went on the radio as supersalesmen, so to speak, to sell this bond issue to the people of Canada, and without exception, I believe, one of the points they stressed was the wonderful opportunity for a safe investment that that loan presented to our people. It was safe, they said, for the reason that it was backed not only by the government but by all the natural resources of this wonderful dominion. The point is that if it is necessary to put up the natural resources of the country as collateral security to guarantee a loan, why does the bank not belong to the people? Why is it necessary to pay a tribute to some private individual in order that we may be able to use something that belongs to us?—because in the last analysis what we are using is the public credit.

[Mr. O'Neill.]

I am just as thoroughly convinced as I was prior to the election that if we continue to pile up obligations for public purposes as we are now doing, it cannot but inevitably result in the total collapse of our present financial structure, with all the chaos, misery and privation that will follow such an event. On the other hand if we change the system to one of public ownership of the right to issue currency and credit, I see no reason why there should be any repudiation of the just responsibilities that we have assumed. I believe those responsibilities can all be met, but they cannot be met if we continue to finance as we are doing at the present time.

Mr. W. A. TUCKER (Rosthern): I notice that this resolution states:

> That, in the opinion of this house, the Canadian government should consider the advisability of beginning this year to issue purchasing power, and to use that purchasing power for the improvement of the economic condition of the Canadian people.

In rising to support the motion I do so with certain qualifications. In the first place I should like to make it quite plain that, so far as I understand social credit, either of the Aberhart or of the Douglas variety, the resolution is not either one of the two. It proposes the use of national credit rather than any system of social credit. I compliment the leader of the social credit party on being broadminded enough to bring forward a proposal which I feel is in line with Liberal policy, rather than a straightforward proposal of definite social credit according to either Aberhart or Douglas.

One of the things I would quarrel with in the wording of the resolution is the suggestion that the government should consider the advisability of "beginning" this year to issue purchasing power. I have spoken in the house on this question on several occasions and indicated that in my opinion we have done this very thing more than once in the past. I shall refer to the occasions when I think we have done that very thing, and if I support the resolution it is because I think there will be no harm in giving some study to a further understanding of some of the things we have done in the past with no evil results of any kind so far as I can see. You may say, when have we ever issued purchasing power without somebody giving value for it? The first occasion that will occur to those who know anything about the dominion is that up to 1913 we issued thirty million dollars' worth of dominion notes which were legal tender in this country against a gold reserve of one-quarter

of that amount. In other words, with gold worth roughly a little over seven millions, we issued and used as a government thirty million dollars' worth of money; that is, we put out that much purchasing power and placed it in the hands of the people. Shortly after the outbreak of war we raised that amount from thirty to fifty millions, and, on a gold basis of one-quarter of fifty million dollars, were actually putting out purchasing power for the use of the government to the extent of three-fourths of that fifty million dollars, with nothing whatever behind it except the law itself and without employing means of taxation or otherwise to raise the money. I am favourable to a study of extending that principle as far as it is safe to do so without upsetting or jeopardizing our present democratic system, the so-called capitalist system.

Another occasion on which we made use of this system was when during the great war we issued $16,000,000 worth of our legal tender against dominion railway securities. As the railways had done many times in the past, they came to Ottawa wanting the government, as I suppose, to guarantee another bond issue. The government of that day thought that they would try an experiment, and instead of guaranteeing a bond issue and making themselves liable to pay interest on it, they said to the railways, "You deposit your bonds with us and we will print $16,000,000 worth of money and lend it to you." I asked certain questions in the House of Commons last session in regard to this matter. First, I asked:

> Have the railway obligations or securities against which $16,000,000 of dominion notes were issued pursuant to authority contained in "An Act respecting the issue of Dominion notes," Statutes of Canada, 1915, Chap. 4, been paid?

The answer was "no." So that the money is still owing the government of the country. Next I asked:

> If so, when were they paid?

The reply was that this was answered by No. 1. Next:

> How much interest, if any, has been paid on said securities to date?

The answer was:

> Interest paid by the Canadian Northern Railway Company and the Grand Trunk Pacific Railway Company on advances secured by the obligations referred to amounted to $2,327,945.23.

The next question was:

> To whom was such interest paid?

The answer was that it was paid to the Receiver General of Canada. Now that is a different story altogether from many of the other things that have had to be told in this house. Instead of the country having to pay interest on railway financing, we find that the government itself lent money to the railways—money that cost it nothing except the cost of printing—and on which it has collected to date over $2,000,000. Nothing bad has happened in consequence of that; and if instead of paying interest we can collect interest, I ask every hon. member in this house, why should we be afraid to investigate further the possibility of extending such a system of carrying on the affairs of the country?

Not only at this time did we finance the railways to the extent of $16,000,000, but at the same time the government gave itself $10,000,000 for the purpose of carrying on business. In other words, the government made an issue of $16,000,000 against railway securities and $10,000,000 just on its own securities and it has used that money without resorting to taxation to get it or borrowing and having to pay interest on it.

There is another instance of the issue by the government of this country of purchasing power without first falling back upon taxation or borrowing to get it. I would refer the house to the emergency issue, during the war, against British treasury bills of $50,000,000 for the purpose of buying goods in Canada required by the British government. That was issued solely against British treasury bills. I do not know what rate of interest these British treasury bills carried, but I assume that they carried some rate of interest. These bills were finally paid off in 1927 and, I assume, they were paid off both as to principal and with whatever interest they bore at the time. In other words, we issued $50,000,000 of purchasing power, we stimulated Canadian industry when we did so, and at the same time we collected not only that $50,000,000 but interest on the money. If that is not good business, then I must admit that there is something wrong with my reasoning in the matter.

Let us take another instance in which this policy was followed. We find that under the Finance Act the same method was adopted. The government issued to the banks printed money against dominion government bonds; and any one who will read the Canadian Macmillan report can find the statement as to the amount issued from time to time by the dominion government of money against which the only security that was pledged consisted of dominion government bonds and the guarantee of the banks who pledged them. There was no gold behind it, and there was no limit to the amount of money that could be issued under the Finance Act. They could have issued billions of dollars had they seen

fit. Under the Finance Act in July, 1933, the government of Canada had in issue $48,000,000 worth of good legal currency against the bonds of the country and they were collecting interest from the banks on that issue of currency—again, very good business and something which it would do us no harm to study.

As a further instance of the issue of purchasing power, may I point out that under the last administration there was a change in the Dominion Notes Act which came into force on June 30, 1934. We provided that the backing of our dominion notes should be twenty-five per cent gold, and on the basis of that amount of gold the last administration, led by the present leader of the opposition (Mr. Bennett), increased the dominion notes printed by the dominion government by $53,000,000. I well remember following the discussion of this matter in the press at that time. This money was being used to pay ordinary expenses of government, and many believe that if the government issues money it is a dangerous thing, but that the banks can inflate and expand credit to any extent and no harm is done. Such were wondering what was going to happen to the public financial structure when, as I say, the government led by the present leader of the opposition was so bold as to issue this flood of new money. Well, what happened? Nothing of any distressing consequence. One of the things that happened was that by the end of the following year bank deposits in Canada had risen by $250,000,000. That is to say, there was that much more money to do business with in Canada. Had that policy been followed carefully I think we would have come out of the depression much sooner. I make bold to say that had the leader of the opposition had the courage of his apparent convictions at that time, had he followed that policy instead of the advice of some of his friends in the cabinet, perhaps we would have come out of the depression to a greater extent under his administration than we actually did.

Let us take another example of the issuing of purchasing power by an institution of our own creation. I refer to the Bank of Canada. We have provided by statute that the Bank of Canada may go and buy a dollar's worth of gold and, on the strength of that, issue four dollars' worth of Bank of Canada bills which are legal tender. In other words, it can take one million dollars' worth of gold and with it provide itself with four million dollars' worth of purchasing power. It may be said that this is not of any advantage to the government of the country. I contend that under the Bank of Canada Act, if that policy were followed to a sane extent, of course, any profits it made therefrom over and above running expenses and dividends on shares would came back to the government of the country. The only quarrel I have with the Bank of Canada is that it is not making use of its power. According to the last statement of the Bank of Canada it had on hand, in round figures, $179,000,000 worth of gold. On the strength of that it could have issued roughly $716,000,000 worth of legal tender and still have been within what is recognized all over the world as the safe limit. According to the last statement of the bank it actually had in issue $134,000,000 worth of notes. In other words with the gold the Bank of Canada has on hand at the present time it could issue $582,000,000 of new money and have that money amply secured according to the best judgment of the nations when last they considered the matter in conference.

The question any ordinary layman will ask is this: Why keep the gold and make no use of it in a country such as Canada, while at the same time you are forced to borrow money internally with which to do internal work and redeem internal debt? I suggest that if that $582,000,000 were issued by the bank and loaned to this dominion to pay on its debt a large sum of money would be saved in interest alone. According to the last Canada Year Book the average interest rate on dominion indebtedness was 4·136 per cent. That would not be quite so high to-day, but for purposes of calculation if we say the rate is 4 per cent, the saving to this country would be $23,000,000 in interest alone.

The question we must ask ourselves is this: If we can do that and keep within the limits of sound finance, why do we not do it? The answer always given is, "If we put out that much legal tender and increased our cash reserves to that extent, with the tendency that has grown up on the part of the banks to lend to the extent of ten times the amount of the cash reserves in the country, it would mean a tremendous inflation of credit." The first thing I should like to say in that connection is this: I do not say this amount should be issued all at once. I say we should start and go far enough to bring about some inflation of credit in order to put our young people to work, to develop our great natural resources and to provide some of the things this country needs. An inflation of credit for that purpose would do no harm.

I am reminded of what Germany has done during the last three years. According to the ideas of the orthodox economist Germany wiped out the savings of her people by her policy of uncontrolled inflation, which

destroyed the value of her monetary unit. That was not a case of the controlled issue of currency; it was a deliberate issuance of money until the value of that currency was destroyed. The question that strikes one is this: Where is Germany borrowing the money to-day with which to do the vast amount of internal work that is being carried on there, when under that hypothesis the savings of her people were wiped out? Someone in this house may say, "Oh, but Germany wants credit from foreign nations." Germany does want credit with which to buy abroad. Because of her vast armament program she cannot possibly produce and export enough goods to pay for the things she needs to carry on that program, but so far as the internal development of Germany is concerned, she does not want to borrow money from anyone externally. Germany is using every bit of her natural resources to the very limit, as she is using her labour power, her people. It is all very well for us to say that they are not making as great a success of it as we might. I say that Canada, with her tremendous resources, with a population just as able and intelligent as the people of Germany, might well embark on a policy of expansion which would put our unemployed to work. When Germany can embark upon a policy of rearmament which has cost four billions dollars; when Germany can build military roads some of which cost over a hundred thousand dollars a mile to construct; when Germany is making such full use of all her resources, largely I suggest by the use of national credit, I say to this House of Commons that, with our great natural resources, we have no right to say that we will not even consider the possibility of embarking on a policy of expansion, peaceful of course, on a similar basis of use of national credit.

We live in a world of land hungry nations, Mr. Speaker. On the one hand we have countries such as Germany using every ounce of their natural resources, while on the other hand we are not making use of our young unemployed people to develop our great natural resources. In past years we have permitted our young men and women to drift away to the United States, and we are afraid to have people come to our land in order to help develop this great empty country of ours for fear of aggravating the unemployment situation. Our forefathers pioneered this country and placed it in our hands, but we, by refusing to develop it, are fairly tempting the attack of some more powerful nation that thinks it can make better use of our resources than we are making. That is one of the things that we, representing the Canadian people, have to bear in mind. If as a Canadian people we are not prepared to make use of the natural resources that providence placed within our borders for the benefit not only of ourselves but of all those who wish to come to our shores, and we feel we should properly admit then we are courting the risk of having these lands wrenched away from us some time in the future—perhaps distant—when the pressure of population becomes much greater in some of the overcrowded countries.

Those who simply say that what we have had in the past is good enough, so that we need not examine any new idea, are not being fair to the people who in the past took chances in order to found this land of ours. If there is a sign that this credit inflation is going further than it should, it will be very easy to stop. Under the law at the present time the chartered banks must deposit with the Bank of Canada five per cent of the amount of their deposits. If, when we put out more currency—which does not cost us anything and which bears no interest—we find that the banks are going too far in their policy of credit inflation, we can give the government power to require the banks to deposit more of their own deposits with the Bank of Canada than five per cent. That would cut down such inflation. Let the government take over in that way the absolute power over the issuance of credit by the banks in this country. This will be much more effective than the power we have given it of buying and selling bills. So I submit, Mr. Speaker, that there is a possibility of using over $500,000,000 worth of money without a cent of cost to the country, and that we could easily control any tendency to over-inflation that might result. Take again the example of Germany. That country came through a terrible war, into which it put all its resources, and in which it was beaten. It came through a revolution, but it has reestablished itself to on amazing extent largely by the use of national credit. Surely with the experts we have in our government, they could see to it that if we made use of this power it would not be abused by the banks or by anyone else. At any rate I have that much confidence in the leaders of Canadian banking and finance.

The next case to which I should like to refer, Mr. Speaker, is this: The time we used our national credit when the present leader of the opposition was in power. He borrowed $35,000,000 from the banks on treasury bills and had the banks take those

bills to the Minister of Finance, who had printed and who issued against those bills $35,000,000 worth of new money, under the provisions of the Finance Act. In that case we actually paid the banks four per cent interest, and the Minister of Finance charged the banks three per cent interest, so as a result that $35,000,000 cost us one per cent. That was an example of the use of national credit. I have never heard of any harm resulting from that action, and if any harm did come from it I should like to hear about it from responsible people. If no harm has come from it, why should it not be used more extensively?—of course now through the Bank of Canada.

We have authorized the banks to issue purchasing power, by virtue of the powers already given them. I have heard doubts expressed by some people as to whether or not the banks actually issue or create purchasing power. I have before me the first report of the Bank of Canada, and at page 9 I find the following:

Adding to the deposit figure $40,497,965 in Bank of Canada notes, which the banks held in their tills, we find the total cash reserves at December 31, 1935, were $222,133,998, equal to approximately ten per cent of the chartered bank's deposit liabilities in Canada.

Incidentally I am sometimes told that in a system of governmental finance the use of national credit would depend upon the confidence of the people. I submit the people of Canada have just as much confidence in the integrity and solvency of the Dominion of Canada as they have in any bank in Canada. I submit further that the working of our present system depends upon the confidence of the people in the banking system of Canada, because if the deposit liabilities of the banks in Canada are to-day ten times the amount of the actual cash reserves in the country, in the event of the people suddenly asking for their money on deposit from the banks they would receive only about ten cents on the dollar. If banks in Canada can safely do business on that basis, surely the nation can do it on the same basis.

When we read the opinions of people interested in the matter we find one view in one book and another in another. I believe one can gain no great amount of profit from citing opinions of writers of books, because each writer has his own opinion and it is hard to weight the value of each writer's opinion. Possibly the opinion of the Minister of Finance (Mr. Dunning) is worth more than those of writers of some books.

Mr. DUNNING: I hope so.

Mr. TUCKER: What then is the use of citing such opinions to the minister? I do believe, however, that he would accept as authoritative the opinion expressed by the members of the royal commission on banking and currency in Canada which examined the question. As hon. members are well aware, the commission was composed of very eminent men. I read from page 44 of the report, because I believe the question under consideration does not receive the careful thought it should receive:

If a bank receives from some new or outside source an increase in its "cash reserves," it will in the ordinary course of events proceed to make loans or to buy securities. The public receiving the proceeds of the loans or sales will deposit in the banks all that they do not require for hand-to-hand cash. In so far as these deposits are made in other banks, cheques will be drawn on the original bank, with the effect of diminishing its reserves and increasing those of its competitors. The latter, provided their cash position be already satisfactory, will then be in a position to make additional loans and investments, if conditions warrant, and this in turn will enable the public to make further deposits. In so far as the loans and investments made by the original bank return to it as deposits, it will be in a position to make further loans or investments. Through this process of lending, investing and depositing, the increased cash reserve is distributed among the banks and the volume of loans and investments and deposits is increased by an amount several times greater than the amount of the original increase in cash reserves.

In other words if the government of Canada through the Bank of Canada lends a bank a million dollars, on the strength of that loan the bank may turn around and buy government bonds to the extent of several times that million dollars. There can be no question about that; as an authority I offer the findings of the royal commission.

Mr. DUNNING: They did not say that, though. What my hon. friend has just read does not say that.

Mr. TUCKER: I will read it again.

Mr. DUNNING: That will not help.

Mr. TUCKER: It says:

In so far as the loans and investments made by the original bank return to it as deposits,—

And they mostly do.

—it will be in a position to make further loans or investments. Through this process of lending, investing and depositing, the increased cash reserve is distributed among the banks and the volume of loans and investments and deposits—

I repeat, "loans and investments and deposits"—

—is increased by an amount several times greater than the amount of the original increase in cash reserves.

Mr. DUNNING: That is right.

Mr. TUCKER: That is what it says. You have for example an original increase in cash reserves from the Bank of Canada amounting to a million dollars worth of Bank of Canada notes, and by the process of being able to lend several times the amount of the original increase in cash reserves your banks can actually buy bonds to the extent of several times the amount of cash you originally supplied.

As there seems to be some doubt on the point I should like to read from the British Macmillan report, and because of a shortage of time I shall confine the quotation to a part of paragraph 74:

> The bank can carry on the process of lending, or purchasing investments, until such time as the credits created, or investments purchased, represent nine times the amount of the original deposit of £1,000 in cash.

That is a definite finding of the British Macmillan commission. Not only is the statement made in the paragraph I have quoted, but it is made again in paragraph 84 in the following terms:

> Given the maintenance of a certain cash base the banks will always in time expand their deposits to a figure of some nine or ten times that base.

In other words, given a certain cash reserve, which the government creates, the banks will in time increase their deposits, which means their loans or investments, to an amount of nine times the original base.

I have referred to the findings of the two greatest authorities to be found to-day in the British Empire. If it is not true, then I say let us have an explanation as to why it is not true. But until it is contradicted, in justice to the people who have honoured me by sending me to this house I must accept that which my intelligence dictates those authorities did say. If it can be shown the statement is not true I will rise in my place in the chamber and if I think I am wrong I shall be pleased to admit it. But the people from one end of Canada to the other are saying this to our leaders in finance and industry: You have benefited greatly by the financial system. You are the only people who did not suffer during the great depression. All other people suffered—industrialists, farmers, and everybody else. You alone did not suffer. It is not enough for you to say there is nothing in the suggestion that the financial system is devised so as to benefit you, at the expense of the other people. You have to come out in the open, explain it to us and show us it is not so. We may think it is just an accident that the financial interests of Canada make good profit just as much in good times as they do in bad, or rather almost as much in bad times as they do in good.

In this connection I cannot help but think of evidence brought out before a royal commission appointed by this government to investigate something in which this house is very much interested. I refer to the Turgeon commission on the textile industry. We found a syndicate getting together and putting $500,000 into the common shares of a Canadian textile company and another $500,000 into the preferred shares, upon which preferred shares they received seven per cent interest from the incorporation of the company. What happened in connection with the common shares? They put in $500,000 and in thirty-one years they drew out almost $15,000,000 in dividends. In other words there was an average income return of ninety-seven per cent on that money every year. There is another thing I should like to put to the members of this House of Commons. I should like to give them some of the names of that original syndicate. I mention Sir Herbert Holt, Sir Charles Gordon and Mr. H. V. Meredith. I should like to ask hon. members if they think these men put their own money into that syndicate, or if they lent one another the money from the banks they were connected with to put into the syndicate. If the latter, then they used the banking system to make $15,000,000 of clear profit. This is something to which we in this Canadian House of Commons will have to pay some attention. We see our labouring and farming people from the Atlantic to the Pacific displaying the highest of Christian virtues and the greatest fortitude under present conditions. They work a lifetime in many cases and at the end of a lifetime of work and sacrifice sometimes they see their wives and children in penury and want. They realize that the banking system of this country enables certain people to make money in the way I have mentioned. I think it is time this high court of parliament called to task some of these transgressors who are getting more out of the financial and industrial system of this country than they are entitled to. They should be called to account and it should be seen that the ordinary people of the country are better protected in the scheme of things and given a fairer share of the wealth of the country.

It was for this very purpose among others, that I take it the Liberal party was returned to power in this house. In this connection I should like to read a few words of our great

leader uttered on the evening of the day of the last election. He spoke with moving eloquence and in profound sympathy for human nature and human suffering, in full appreciation of what the people expect of a government in these times, when he said:

> In the new era which dawns to-day the struggle for the rights of the people will, in the realm of economic liberty and security, be carried on as never before. Poverty and adversity, want and misery, are the enemies which liberalism will seek to banish from our land. They have lain in wait at the gate of every Canadian home during the past five years, and their menacing mien has served to destroy the souls as well as the minds and bodies of an ever-increasing number of men, women and children in our land. We take up at once, as our supreme task, the endeavour to end poverty in the midst of plenty, starvation and unnecessary suffering in a land of abundance, discontent and distress in a country more blessed by providence than any other on the face of the globe, and to gain for individual lives, and for the nation as a whole, that "health and peace and sweet content" which is the rightful heritage of all.

In taking the action I intend to take I feel I am following the noble and inspiring words of our great leader. Although I do not quite agree with the wording of this resolution, I propose to support it from my place in the House of Commons.

Hon. NORMAN McL. ROGERS (Minister of Labour): The hon. member for Rosthern (Mr. Tucker) will forgive me I am sure if I do not seek to traverse the ground he has covered in his very interesting speech. I imagine it is needless for me to tell the house that I do not speak to this resolution as an expert on monetary questions. I have studied some of these questions for a number of years and I have nothing but envy for those who are able to discuss them with apostolic certainty.

It seems to me that at this time we must address ourselves to the exact wording of the resolution before the house. The resolution is couched in these terms:

> That, in the opinion of this house, the Canadian government should consider the advisability of beginning this year to issue purchasing power, and to use that purchasing power for the improvement of the economic condition of the Canadian people.

As to the latter portion of the resolution I am sure there is no difference of opinion among the various groups in this house. We are all most anxious to improve the economic condition of the Canadian people. I would also say that I share the views expressed by the hon. member for Lethbridge (Mr. Blackmore) and the hon. member for Kamloops (Mr. O'Neill), that the existing banking and monetary system should not be sacrosanct and unchangeable. There have already been some far-reaching changes, not only in the system but in our views regarding it. Obviously as we move forward toward new social objectives we must fashion the instruments of state to meet these new objectives.

In approaching this particular question I am bound to say that I am influenced by certain principles which to my mind have been established in the experience of this country. I cannot conceive of a purchasing power in any real sense apart from the production of goods and services. In a primitive community this was self-evident. You exchanged goods and services and as goods and services were produced you increased the store of purchasing power. Therefore I cannot conceive that it lies within the power of the dominion government to issue purchasing power. It is within the power of the dominion government, or of any government, to create conditions under which the people may themselves increase purchasing power. I may say that that has been the purpose of all governments in this country, however different their policies may have been.

I was much interested a moment ago when the hon. member for Kamloops referred to the unemployment situation in British Columbia. It is within his knowledge and within the knowledge of every member of this house that within the past year there has been a very considerable improvement in the economic condition of British Columbia. That improvement was not brought about by the issue of money purchasing power; it was brought about by the creation of conditions under which the people of British Columbia were enabled to increase their purchasing power in terms of production of goods and services. As a result of several trade agreements—the trade agreement between this country and Great Britain, the trade agreement between this country and the United States, and the settlement of differences between this country and Japan—barriers were removed which theretofore had prevented the free flow of trade, and as these barriers were removed there was an expansion of trade. New markets were established; as a result there was a greater degree of industrial activity and therefore a greater production of goods and services, and the income of the people of British Columbia was increased.

Mr. BENNETT: May I interject?

Mr. ROGERS: Certainly.

Mr. BENNETT: I did not understand the hon. member for Lethbridge (Mr. Blackmore) to make the suggestion that has been

attributed to him. He was advocating, as I understood him, that this country should issue currency with which to discharge obligations, and that the money thus in circulation would be additional purchasing power. That is what I gathered. It was not a question of production at all.

Mr. ROGERS: Precisely, and I have rather taken this view, that in any real sense of the term purchasing power consists of goods and services produced within the country. You may issue dominion notes, you may expand credit, you may establish titles to goods and services; but let us assume, for example, to take the case of British Columbia, that you had not had created the conditions which resulted in a stimulus of industry, but that in that province in the same period of time you had merely had an issue of dominion notes to this or that extent. Can it be suggested for one moment that the condition of the people of British Columbia, with the issue of purchasing power in terms of currency, would have been as good as it is with the additional purchasing power through the production of goods and services? That is the point, Mr. Speaker, which it does seem to me is vital in the consideration of this question. My point is that essentially the real income of a community consists of the goods and services that it produces, and we are therefore compelled in considering any question of currency inflation to determine how far such a policy is likely to go in its ultimate effect in increasing or decreasing the productive power of the country.

It so happened that following the late war I spent some time in central Europe when the countries there were in the midst of an inflationary boom. I am far from suggesting that there was not an acceleration of production through the inflation of currency, but it was temporary; it was the kind of fever that precedes total collapse, and I do not think anyone who visited those countries at that time could fail to be impressed by the very serious results which followed a policy of that kind.

As I understand this resolution, it proposes, as the leader of the opposition (Mr. Bennett) has just said, the issue of purchasing power in terms either of pocket-book money, as explained by the hon. member for Lethbridge or, as he termed it, cheque-book money. I am bound to say that if the cheque-book money consists of cheques issued by the dominion government to pay in legal tender, then there is no material distinction between the two so far as the effect upon the total amount of credit is concerned.

Mr. DUNNING: It must be a call on legal tender.

Mr. ROGERS: It must be a call on legal tender, and so if it is to be used for that purpose I can see no distinction. Surely that does mean that we would be inflating our currency, and the hon. member for Lethbridge surely concludes that that policy is going to result in the economic improvement of the Canadian people.

Mr. BLACKMORE: Will the hon. gentleman allow a question?

Mr. ROGERS: Certainly.

Mr. BLACKMORE: I just wonder if it would help the economic condition of this country if we were to spend, say, $200,000,000 on public works throughout the dominion. Does the minister think that would improve conditions?

Mr. ROGERS: I think that is a very fair question. As a matter of fact that is one of the methods by which it has been proposed at various times to inflate currency—in other words, to expand the dominion note issue in order to carry out a large dominion public works program, and I take it that this is what my hon. friend has in mind at the moment. I would agree that from such a policy you would have a temporary increase in production, and one would have to consider how far an expenditure of the kind would benefit the country in the creation of utilities which could be enjoyed by our people. But I have never been of the view that a public works program of that kind would supply a suitable remedy for unemployment. In the country to the south of us there have been large expenditures on public works, but as year has followed year the administration there has found greater difficulty in discovering public works which could be justified upon economic grounds. I have seen with my own eyes in the city of Norfolk a vast stadium and playing field established through the use of federal funds, and these, at the present time at any rate, are far beyond the needs of that particular community. I might add that they were established not essentially for the city of Norfolk but rather for a small branch of a university at that place. You cannot go on and on and on with a public works program of that kind and be assured that you are diverting a portion of the national income into useful channels. I do not believe that in that direction lies any true remedy for unemployment.

Mr. BLACKMORE: May I ask another question?

Mr. ROGERS: Certainly.

Mr. BLACKMORE: If $200,000,000 could be caused to be spent by tourists in the Dominion of Canada every year, would the minister consider that that would improve the economic condition of this country?

Mr. ROGERS: Certainly. I have no hesitation whatever in answering that question in the affirmative.

Mr. BLACKMORE: Then may I ask why $200,000,000 spent every year in this country by the government would not also improve conditions?

Mr. ROGERS: As I understand my hon. friend's proposal, the $200,000,000 spent by the government on public works, would not be taken from the people by taxation, would not be raised in the way of loan, but would, so to speak, take the form of an expansion of the dominion note issue. That is nothing more or less than inflation. That is nothing more or less than adding to the total amount of credit and currency in the country, and the very fact that a government embarked on a policy of that kind could not I think fail to have an effect on the price level.

Mr. BLACKMORE: May I ask another question?

Mr. ELLIOTT (Middlesex): It is getting to be a cross-examination.

Mr. ROGERS: In this whole situation there is an unpredictable factor, and that is the velocity of circulation. My hon. friend I know is fully aware of that. The velocity of circulation of currency depends to a great extent upon inconstant factors that are absolutely beyond the control of government, that do not lie within the realm of policy. I am quite sure that in the province of Alberta this whole question has received some consideration, because as I read the Social Credit Manual I find it is suggested that the velocity of circulation is going to provide an additional means by which the province of Alberta may tax goods in order that they may raise sufficient to pay the social credit dividends.

Mr. WOODSWORTH: May I ask one question before the minister passes from these tendencies toward inflation? Would a loan floated in Canada or a loan floated in the United States tend towards inflation?

Mr. ROGERS: I doubt whether they would have the same effect. Much depends upon the significance that is attached to a particular policy that is undertaken. Governments have always been in the habit of borrowing money for specific purposes. But when a government departs entirely from the view that it must use money secured by loans or taxation for public purposes, and prints an addition to the dominion note issue for that purpose, I believe that it tends, rightly or wrongly, to destroy the confidence of the people in a more or less stable purchasing power of the national currency.

Mr. WOODSWORTH: I am not for the moment on the question of confidence; I am on the question of the effect of the circulation of that much more money. I cannot quite follow the minister.

Mr. DUNNING: He has only forty minutes, and he has had ten questions.

Mr. ROGERS: I am still more concerned with another aspect of this question. The hon. member for Lethbridge did not seek to explain how this purchasing power would be issued or to whom it would be issued, and that to me is a vital question. I should perhaps correct that statement by saying that just now he has proposed as one alternative a public works program, and obviously additional dominion notes could be issued in that way. But among all the authorities quoted by my hon. friend and those who supported him yesterday, there was one conspicuous absentee; that was Mr. Aberhart, who is the recognized leader of the social credit movement in Alberta, and I do not think that I should be doing violence to the views of my hon. friends if, in seeking to find how this purchasing power was to be issued, I should refer to the Social Credit Manual, published and written by Mr. William Aberhart. I may say that this Social Credit Manual is described in these terms, "Puzzling Questions and their Answers." I have read it through from beginning to end, and I am bound to say that in some cases I am more puzzled by the answers than by the questions. I just want to quote a paragraph from this manual. It refers to basic dividends, and I quote it for the reason that apparently it supplies the means by which, in the view of Mr. Aberhart and those who think with him, there should be this issue of purchasing power to the members of the community. The proposal is in these words:

To enable each citizen to secure these bare necessities—

That is, food, clothing and shelter—

—each of them will receive a pass-book in which at the beginning of each month will be entered the basic dividend for that month, say $25. This is supposed to provide for the bare

necessities of food, clothing and shelter for every bona fide citizen, whether he works or does not work, and he shall not be required to pay it back or work it out.

That to me is a great stumbling block, the thought that the community for its own good should issue purchasing power to those who are not prepared to work at all. And it does seem to me that in considering the whole question we are faced with this problem, that the issue of purchasing power indefinitely—because there is no limitation mentioned in the resolution—the issue of this purchasing power in the manner mentioned in the Social Credit Manual cannot but ultimately have the effect of curtailing production and in that way of decreasing real purchasing power. It may be said, as was said yesterday by the hon. member for Lethbridge, that the mere circulation of social dividends, or whatever you may call them, will tend to create a greater demand for consumer goods. That may be possible. But I would fear greatly the effect upon motivation to production of a free non-repayable gift, as I think my hon. friend described it yesterday, to the members of a community. That proposal does give me great doubt.

Mr. LANDERYOU: Mr. Speaker, this is not a free gift without any recovery. It has been suggested that we recover in case of redundant credit.

Mr. SPEAKER: Order.

Mr. ROGERS: I merely quoted from the Social Credit Manual, which makes it quite clear that the $25 a month is designed to provide for the bare necessities of food, clothing and shelter for every bona fide citizen whether he works or does not work, and he shall not be required to pay it back or work it out.

An hon. MEMBER: Read it again.

Mr. McNEVIN: When does that start?

Mr. ROGERS: I do not propose to detain the house longer in the consideration of this question. I do not think that we on this side have intended to show any intolerance to the views expressed by hon. members in the far corner. On the other hand there does appear to be a clear difference between us in a matter of principle. Conceivably time may prove that they are partly right and we are partly wrong. I can only say that, with what knowledge I have of the history of countries that have embarked upon the policy advocated in this resolution, I cannot support it, and I cannot believe that in the long run it would contribute to the improvement of the economic condition of the Canadian people.

Mr. M. J. COLDWELL (Rosetown-Biggar): First of all I should like to say that we in this group are thoroughly in favour of the present House of Commons considering ways and means of increasing the purchasing power of the Canadian people. Neither the resolution nor the mover of the resolution (Mr. Blackmore) sets forth any specific or definite manner in which that could be done; and although the Minister of Labour (Mr. Rogers) has just read what Mr. Aberhart had to say, the members who have so far spoken in support of this resolution have not placed that very definite interpretation upon it. Therefore I take it that members of this house who do not agree with Mr. Aberhart, who do not believe that the proposals he has made in Alberta are soundly based, nevertheless have the right and the privilege to support the resolution.

There can be no question of the necessity of finding a solution of this very evident paradox of poverty and want in the midst of real and potential plenty. If evidence were lacking, we receive it every day in the House of Commons, and in the speeches that have been made in support of this resolution much confirmatory evidence can be found. The question, as we of this group see it, is how we can meet the present need and proceed to a permanent cure, and it is from that point of view that I wish to discuss the resolution. In doing so I am speaking on behalf of this group and the movement that it represents. Unfortunately, a lack of knowledge of economics—quite understandable in a country such as the one in which we live—and a great deal of very loose thinking in connection with these matters, are leading us into all kinds of by-paths. The unemployed, the distressed farmer, the idle professional man or the bankrupt business man have put their hands into their pockets and have said, "Our trouble is that we have no money." Let us bear in mind that the basic fact of man's struggle with nature is not the fact of money but the fact of producing and using things, in other words, production and consumption. Monetary devices are means which modern men have brought into use—what for? For accounting and reckoning and delivering goods and services. It is the accountancy system within the economic structure in which we live, and many people,

I am afraid, forget this fact. They mistake the shadow of money for the substance of things, and consequently we have a tremendous emphasis placed upon that angle of our difficulty.

I think we may say that money, in a broad sense, becomes to the possessor a readily exchangeable title to goods that have been made or services that may be rendered; and since everybody under the present system does not and cannot produce, though everybody needs to consume, we have money in order that such people may obtain the things which they need to consume at given times and in given places. Hence it follows that if in our society—and I commend this particularly to my hon. friends to the left—some persons consume without producing, they must consume some things which others have produced; and to my hon. friends to the right, let me say that in a capitalist society those who live by rent, interest and profit acquire quantities of goods or titles to goods which they have not produced but which someone else has had to produce. Increase in purchasing power among the great masses of the people, which I take to be the object of this resolution, must result in proportionately lessened returns to someone, and as far as we in this group are concerned, we clearly recognize that as a fundamental fact and we make no apologies for advocating that the lessened return shall go to that group which, through its power, has been able to accumulate vast hoards and stores of wealth. We thus face that fact quite honestly and sincerely and are prepared to disagree with those who disagree with us; we shall nevertheless continue to work consistently toward that end.

A moment ago I used the word "profit." For the sake of clearing up any discussion which may arise on that point, may I say that I am using that term in a strictly narrow sense. Viewed in the narrow sense, "profit," I think, includes rent and interest and is the essential return which accrues to persons or groups of persons as a result of their ownership of the means of production. Let us bear this constantly in mind when we discuss the matter of profit. I do not mean, when I speak of profit, that further amount added to the price of goods which represents the cost of handling, the services of the man or woman handling the product, and so on. I do not include in the word, therefore, the cost of distribution. And again let me emphasize that you cannot increase the purchasing power of one group unless you take potential purchasing power from some other group. But, it may be said, production progressively increases. That may be true, but the relative truth of the statement that I have just made is, I believe, plain, and no manipulation—if I may use that word—of currency or credit can falsify that position.

To argue that a form of purchasing power that we call credit is an intangible thing is, I think, to be quite oblivious to the fact that money in any form is a title to goods and services, the fruit of someone's labour, and that such goods are quite tangible. These goods cannot be created, as is sometimes inferred at the point of a fountain pen, although they may be monetized, represented by figures, through a fountain pen; and I believe that if we could get into our minds very clearly the distinction between goods and money we should have a little less confusion in discussing this important question of finance. I am not saying that bankers cannot and do not create credit; they do. But they create it on assets that may be hypothecated to them; in other words behind the creation we have goods. It may be said, in the example given this afternoon of the government issuing notes, that this was different, that nothing was hypothecated. But I would point out that something was hypothecated. When fifteen, or twenty, or two hundred millions of new dollar titles were issued by the Dominion of Canada that meant that two hundred millions' worth of labour and natural resources would ultimately validate these titles; and somewhere in the economic process that amount would have to be accounted for.

The power we have given the bankers gives them enormous power over our economic structure. Last year we of this group sought to impress upon the house the necessity of taking that power from the bankers and so we introduced a resolution asking for the national ownership of the central Bank of Canada and the chartered banks. Nor am I denying that by the wrong use of this power great economic difficulties and dislocations may arise. They do. Scientific control of our financial system—and we are in thorough agreement with those members of the house who advocate it—undoubtedly would assist in meeting some of the difficulties that are arising. For myself I would be glad under certain circumstances to see a government embark upon a mild inflationary program, but in supporting such a program I would admit that it was such.

Mr. DUNNING: How would the hon. gentleman approach that scientifically? He mentioned a scientific approach. What scientific basis has he for the inflation?

Mr. COLDWELL: I would use the currency that I was about to issue for some useful public work, let us take housing as an example, and scientifically I would recognize that the issue of that currency in all probability would increase—

Mr. DUNNING: Science does not deal with probabilities.

Mr. COLDWELL: Oh, yes, it does. May I say, Mr. Speaker, that science does consider probabilities. Science usually established an hypothesis and either proves or disproves it. That is the scientific method. Having said that, I would add that in all probability the price level would be raised, and that would be a form of taxation upon the community to the extent of that inflation. I think we have to recognize that, although, as I say, I would tolerate it under certain circumstances, and I believe it would be well worth while.

Mr. GARDINER: That is, inflation is another form of taxation?

Mr. COLDWELL: Yes, it is another form of taxation.

Mr. DUNNING: How far would the hon. member go, scientifically?

Mr. WOODSWORTH: May I suggest, Mr. Speaker, that the Minister of Finance (Mr. Dunning) interrupted me a few moments ago and referred to the shortness of the time allotted to the speaker. Perhaps he might remind himself of that now.

Mr. DUNNING: I beg the pardon of the hon. member for Rosetown-Biggar (Mr. Coldwell).

Mr. COLDWELL: I would have no hesitation in answering that question. I should say I would not go very far, because I am not an inflationist, as perhaps the house will see when I proceed a little further with my remarks.

We hear a great deal about sound money, and perhaps this will answer the minister's question. In my opinion a sound monetary system implies that the total amount of all money, taking into account its velocity, shall equal the value of the goods and services, priced and to be distributed by it. The nearer you can get to that the more ideal your system will be. I may say that I am not taking that definition or that statement from any radical economist. It will be found in many of our standard works on economics.

Mr. DUNNING: That is an orthodox statement.

Mr. COLDWELL: Yes. Too little money, or money moving too slowly, causes a deflation. On the other hand too much money or money moving too rapidly causes inflation, and both are equally bad. I sometimes accuse gentlemen who are orthodox of being deflationists. I think in reality their frame of mind is rather toward deflation than toward stabilization; and I would call some other monetary theorists frankly inflationists, and recognise them as such. Let us bear this in mind, too, that the flow of money and even the effects of inflation are very difficult to gauge. I think President Roosevelt found that out. For three years he poured billions of dollars into circulation, and it was not until after three years had passed that he began to see those signs of recovery which he sought. Even then that recovery was based, perhaps, upon factors other than the sole monetary factor which was so greatly emphasized.

The lesson of this, it seems to me, is that in order to carry out the purpose of the motion which has been introduced, many more factors are involved and many more things need to be done than some members of the house would seem to realize, if we may judge from their discussion of this question. If we are going to achieve a balanced economy we must assume some responsibility for planning production as well as for encouraging distribution. This, probably, is the point at which we part company with our friends to the left and our friends to the right. Our friends to the left want to issue quantities of titles to goods they neither own nor control, while our friends to the right support the theory of automatic self-adjustments, which tragically enough alternate between booms and depressions. We would endeavour to progress toward an ever-expanding production of goods and services and to an ever-increasing enjoyment of them.

Bearing that in mind, Mr. Speaker, you will see why a few moments ago I spoke of balancing money, tokens if you like, with goods, because that is the only way in which we shall ever achieve anything in the nature of a balanced economic structure. In order to do that, however, we must frankly recognize that we have to institute planning and quite wide measures of economic control. We contend, of course, that though steps may be taken in that direction, this can never be achieved in its entirety under the present price and profit system, because the flow of profit tends to immobilize vast quantities of purchasing power at least temporarily. There

you see the fundamental defect in our economic structure. What the Minister of Labour (Mr. Rogers) said may be perfectly true, that enough purchasing power is issued to enable the goods produced to be consumed; yet always there is a dip, a taking out of a portion in the form of profit, in the economic sense in which I use that term, and as the concentration of industry and finance comes into fewer and fewer hands, that dip becomes a much more serious factor in the economic situation.

There we have the real difficulty that arises. It is the concentration of money in the hands of a few, who cannot spend it and who do not even find safe places in which to lend it, that causes disequilibrium. Were it not for these factors the process of production would itself distribute sufficient purchasing power, as the Minister of Labour has said. For in a properly planned economy if you did not distribute purchasing power in that way, you might distribute it subsequently by a social dividend. May I say to hon. members to my left that that is the only way in which they will ever achieve social dividends. Thus it ought to be apparent that purchasing power involves very much more than some of our friends in Alberta would seem to think.

This is an intricate economic subject. Every hon. member who attempts to debate it in an assembly of this kind must know that it is a difficult subject to place before a gathering. I believe that is one of the difficulties of present day discussions throughout the country concerning money and credit. For this reason I should like to place before the house a resolution passed at our conference held in Toronto last July. The resolution, which I believe summarizes our position, is in these words:

> The Cooperative Commonwealth Federation reiterates its policy of credit and investment control in the plainest terms.

In passing, may I observe that the matter of investment control is one to which I would like to believe the government is giving serious consideration. As I look at the stock market fluctuations from day to day I can see all the factors which operated prior to 1929. Unless an attempt is made to meet the situation we shall probably see stocks go higher than they did in that year, and the crash will be just that much greater. The following paragraphs are these:

> (1). Central Bank. We demand the complete elimination of all private ownership and control from the Bank of Canada.
>
> (2). Commercial Banks. Useful as it is, the Bank of Canada is not a sufficient instrument for credit control if the rest of our financial machinery is left in the hands of big business to be used for private profit. The responsibility for directing most of the country's short-term credit rests with the commercial banks. Their credit policy accentuates booms and depressions by easing credit during "prosperity" and restricting it when business declines. Their position accentuates the present trend towards monopoly in our economy through the system of interlocking directorates which prevails between banks and large scale industrial enterprises. In addition, since their one aim is private profit and not social security, they starve us of credit for housing and other welfare services because these things do not "pay." There must be public ownership and control of the whole banking and insurance system if the credit resources of the country are to be devoted to socially useful purposes. "Social credit" parties, by ignoring this essential issue, are tending to lead our people up a blind alley.
>
> (3). Long-Term Investment. In spite of many exposures of the abuses and rackets which go with the present methods of long-term financing of industry, the vital importance of this second great section of our financial machinery has not yet been brought home to the public. "Credit control" is empty talk unless accompanied by the control of investment. Private enterprise makes its big profits through stock-watering, promoters' rake-offs, directors' bonuses, transfers between interlocking companies, stock and bond speculation, artificial raising of the marketability of securities through the "investment trust," manipulation of commodity markets, and such practices. The Cooperative Commonwealth Federation recognizes clearly that managed currency and credit provide only half a policy unless accompanied by drastic regulation of these practices.
>
> A Security Board, such as recommended by the Price Spreads Commission should immediately be set up. But a far more comprehensive national investment board should also be created, as called for in the Regina manifesto in 1933. Unless this form of public control is provided, capitalist "recovery" will merely lead us into another period of hectic and unplanned expansion, with national savings invested where profits are highest and quickest instead of where social advantage is greatest, which will be followed inexorably by another and deeper depression.
>
> (4). Finally, it is important to reiterate the policy laid down in our Regina manifesto in regard to the need for the social ownership of the means of production and related industries.

That, it seems to me, summarizes the position we have taken. Thus we realize there are many factors involved in the redistribution of goods and services implied in a resolution to increase purchasing power, such as the one we are now debating.

May I repeat that not the least of the important matters indicated is a security board, so that investments may go into proper productive chanels. Involved also would be fixed prices guaranteeing proper standards of living to our producers and adequate wages to our workers. Added to those factors would be the one which is per-

haps more important at the present time, namely the opportunity to earn money. It follows that wide measures of intelligent planning must be undertaken to replace what we regard as an outworn laissez faire economy. Let me reiterate that the problem is more complex than the mere creation of credits, and must cover the very wide field of the production and distribution of goods. Under the present system it is essentially the ownership by the bank, whether outright or by hypothecation, which gives it power to control wealth, to use it, and to determine the distribution of those commodities which money is supposed to distribute.

Those people who do not own the things they need must labour to live. Either they must work, borrow or accept relief. To them existence depends upon labour, debt or dole. That, I take it, is the misfortune of our present economic situation.

If the means of production were restored to the control of society we believe that then the sum total of production could and indeed would be distributed during the process of production. If it were thought better not to do that, then any surplus accruing to the community, through community effort, could be made available in a form of subsequent social dividend. But to attempt one without the other is, in my opinion, courting economic disaster. If my view is wrong I shall be content to listen to other views. An opportunity has been provided in one of the Canadian provinces to demonstrate that my point of view is wrong, and I can assure hon. members from that province that if they succeed in demonstrating my observations this afternoon are not well founded, I shall be glad not only to admit my error but to assist them in carrying forward their experiment. If on the other hand they see that the experiment is not successful—and I submit they do—they should endeavour to work out something more nearly along the lines of economic reality.

Many will say that the point of view I have indicated involves great changes. Yes, it does, and they will come. They will not all come at once, because that would involve a tremendous and sudden dislocation. I do not believe that at the moment the best kind of progress can be made in that way. Very recent history has shown that social and economic changes imply time and steps. And so I say, on behalf of the group for whom I am speaking this afternoon, we are prepared to cooperate with any other group in this house which might not wish a fundamental change but which is ready to travel even part of the way along the road which we must eventually travel.

In conclusion may I outline some of the immediate steps which we consider to be necessary. First, the national ownership and control of the financial system. Second, the national ownership and control of monopolistic industry. Third, social security measures, including minimum wages for workers and a guaranteed minimum price for the farmer. Fourth, steeply graded income taxes with the lower brackets exempt. Fifth, progressively high death duties and inheritance taxes.

May I say that the last is a method of restoring to society as a whole the ownership of some of those things which have been taken from society by a group. I believe that this offers a painless and effective, if not a most rapid way of achieving that objective. But in imposing death duties we have no right to consider them as current revenue. We ought to consider death duties, which vary in extent from year to year, as a contribution toward the retirement of our national capital obligations.

Mr. DUNNING: The hon. gentleman believes in federal death duties?

Mr. COLDWELL: Yes.

Mr. DUNNING: In addition to the provincial duties?

Mr. COLDWELL: Yes. The next thing required is the refunding of our public debt. I am glad to see that some refunding is under consideration at lower rates of interest. I was hoping that steps might be taken and means found for refunding the different loans at still lower rates of interest. We have to deal also with the adjustment of private obligations and with the future limitation of rates of interest. It seems to me that by these methods purchasing power can be increased under the present system. There must be inaugurated a process of redistribution and eventual greater production. The house may not agree with everything advocated by our friends to my left, but if we discuss intelligently and without bias ways and means of assisting the Canadian people, not only to make more goods but to consume more goods, then this session will be justified. It is for these reasons that we intend to vote for this resolution.

Mr. NORMAN JAQUES (Wetaskiwin): Mr. Speaker, yesterday the hon. member for Huron North (Mr. Deachman) said that a man's purchasing power must be measured

exactly by his production. A few years ago a federal minister of the crown was in Edmonton where he broadcast to the farmers the particulars of what his party had done for their benefit. He told them that his party did not wish to claim all the credit for the benefits they had received, that providence must be given some credit because providence had seen fit, through bad weather, to reduce production in other parts of the world. There is an instance where a man's purchasing power was not measured exactly by what he produced; his purchasing power was measured by what some one else had not produced.

I farmed for five and thirty years in western Canada. I always found that when I had a good crop, there never seemed to be any price. When there was a good price, I never seemed to have a crop. The same thing was true with regard to cattle. When people wanted to buy cattle and were willing to pay a fair price, I never seemed to have any. When cattle were cheap, of course I had some to sell. It seems to me that our problem is the producing of plenty without penalizing the producers. In other words, it is a problem of selling plenty at a profit.

The only alternative is a dictatorship, either of the right or of the left. If the producers are to be ruined by producing the plenty which science has made possible, then the only remedy is the enforcement of artificial scarcity by means of a dictatorship. The hon. member for Huron North asked us to consider an island where only barter obtained. He told us that under such circumstances production would balance consumption. We do want to dispute that, but the hon. member did not mention such things as machinery, science, savings, investments and all the rest of it, and the price system as well. If I had the time I think I could prove that under the present price system it is impossible for industry to distribute sufficient purchasing power in order that what it produces may be sold.

Money is born as a debt. When I borrow $100, I must pay back $108. Where do those eight dollars come from? I may be told that I have produced a crop of wheat, that it comes out of the wheat deal, but that is not so. I have stooked a good many thousands of acres of wheat and I have never yet found a dollar bill in any stook. You produce wheat, you do not produce money. Savings create a shortage of purchasing power. When a man saves he refrains from consuming and to that extent goods are not sold. We are told that money saved is an investment which eventually will be paid out in wages and salaries. That may be true, but when the money is paid out again in wages and salaries, it is paid out with respect to another cycle of production. We have two lots of goods and one lot of money, and it is impossible for one lot of money to buy two lots of goods.

Why is it that times of greatest prosperity, when everybody is working and production is at its full, are precisely the times when high pressure salesmen go around to sell their goods. It is then that it is found necessary to sell goods on time. It is because under our price system all costs must enter into prices; in those prices must be included costs which are not distributed, and it is for that reason it is impossible for industry to distribute the money which is necessary to buy what it produces. If, as the hon. member for Huron North says, production and consumption balance, I would like him to explain the ever-increasing debt. If industry were self-liquidating, as he says it is, how does he account for the ever-increasing debt not only in Canada but in all countries?

It is still doubted by some that the banks create money. There are still people who tell us that the banks lend simply what is lent to them. Now if 100 members of this chamber go to-morrow morning to a bank and each deposits a ten-dollar bill, there is $1,000. When they come out I go into the bank and I borrow $1,000. If it is true that I have borrowed the money which has just been deposited, then if they will go in and ask the manager where their money is, he will say, "I have lent it to Jaques." But the bankers do not say that. They say, "Of course, your money is here." So there you have $2,000, where only $1,000 existed before, and if that is not creation of money, what is it? I do not know. It is creation in the sense that I understand it.

We hear a good deal about inflation, and I should like to read for the benefit of those who have not done so what the originator of the system which we advocate says about inflation.

Mr. MARTIN: Who is that?

Mr. JAQUES: Major Douglas. He says this:

> There is almost nothing to be said for a policy of deflation as defined by the average banker, except that it provides a breathing space in which to consider what to do; the real argument against it is not that it reduces prices, but that it only does so at the expense of the producer; but a policy of inflation, that is to say a policy of increasing issues of money or credit, in such a manner that it can only reach the general public through the medium of costs, and must therefore be reflected in prices, has one thing and one thing only to be

said for it at this time; that it is absolutely and mathematically certain to reduce any financial and economic system to ruins. It is in fact a capital levy of the meanest and most one-sided description since it taxes the purchasing power of those who obtained it by work, for the benefit of those who obtain it by financial manipulation.

That is the statement of Major Douglas, the originator of social credit. I know it is popular to sneer and laugh at the philosophy and economic teachings of Major Douglas.

Mr. MARTIN: Mr. Aberhart does. I believe the hon. gentleman's own provincial leader has repudiated Mr. Douglas.

Mr. JAQUES: I am not a provincial member; I happen to be a federal member.

Mr. MARTIN: Yes; I appreciate that.

Mr. JAQUES: I have nothing whatever to do with the government of Alberta. I have not been asked for, nor have I offered, any advice as to instituting social credit in Alberta. I understand this, though, that so far the government of Alberta has had all it can do, and more than it can do, to clean up the mess which was left by the policies of orthodox finance.

As I was saying, it is common to rate Major Douglas cheaply, but the bankers of England put a different value on his knowledge and ideas. When his first book was published in 1919 and it came to the knowledge of the financial controllers in Great Britain, the Bankers' Association of Great Britain subscribed $25,000,000 to keep that knowledge from the British people. That list has been published in England; I have seen the list, and everybody knows that if it was not true you could not get away with a libel like that. But it is a fact, and I have Major Douglas' word for it in this book, a copy of which can be found in the library of parliament. The sum of $25,000,000 was subscribed by the bankers to keep these teachings of Major Douglas from the world.

Mr. DUNNING: What did they do with the money? How did they spend it?

Mr. JAQUES: They subsidized the press.

Mr. DUNNING: Subsidized the press?

Mr. JAQUES: Yes, certainly.

Mr. DUNNING: Of England?

Mr. JAQUES: Yes; they bought the silence of the press. That statement has been made and printed, and no one has ever brought a legal action.

Mr. DUNNING: They bought the silence of the press?

Mr. JAQUES: Yes.

Mr. DUNNING: The silence?

Mr. JAQUES: Yes, certainly, and they succeeded in keeping out of the British press the knowledge of social credit as preached by Mr. Douglas. Anyone who has had any experience in writing on social credit knows how difficult it is even in this country to get such ideas into the metropolitan press. It is almost an impossibility.

Mr. DUNNING: I think that is a libel on the Canadian press because the hon. member's party gets more publicity than any other party.

Mr. JAQUES: I am perfectly willing to accept the risk of an action.

Mr. DUNNING: The hon. member cannot be sued for what he says in this house.

Mr. JAQUES: I am perfectly willing to say it outside the house; I have done so on many occasions, and so far I have not suffered any ill effects. I should like, while there is yet time, to put this to my credit on Hansard. I have not accumulated very much in my lifetime, but after studying all brands of economics as well as I could—I spent a lifetime on the farm which at least offers an opportunity to think if we can say only "gee" and "haw"—after spending thirty-five years studying practical economics, not the teaching of them but the testing of them, I came to very definite conclusions. I had certain problems to solve which I found to be insoluble, and when I retired from farming, or rather when farming retired me, I said to myself: I have worked myself into this mess, and now I shall see if I can think myself out of it. So I occupied my time in doing a little economic study. I studied all brands of economics and I could find no solution whatever, nothing except a continuation of scarcity. My problem was to find some method by which plenty could be produced without penalizing the producer, so that we could sell plenty at a profit; and I gave it up. Then one day I came upon an article by the Dean of Canterbury, Money Basis of Exchange, and—I want to put this to my credit—I read the truth there at a glance.

Mr. DUNNING: In a newspaper?

Mr. JAQUES: Yes, certainly; in a western paper, the Western Producer. I am glad to give it that advertisement. The article was not in a metropolitan newspaper, but in a western farm paper. From that time on I have read every book that Major Douglas has written. Unlike so many people, I find no difficulty

in understanding him; his writings seem perfectly straightforward to me. But then I was thoroughly deflated; I had no preconceived ideas; I had given them up; I was willing to learn. I had, one might say, turned a mental somersault, so that what may appear upside down to some hon. members looks straight up to me.

I believe that Major Douglas is one of the greatest and most original thinkers of all time. It is said that he is not an economist and he cannot know anything about economics. The greatest astronomer who ever lived believed that the sun went around the earth; he never could accept the theory that the earth went around the sun. In spite of that he is justly considered the greatest astronomer of all time, because he spent his life in taking most accurate measurements of the movements of the stars, and it was through the facts that he made available that Newton was able to reduce the study of the whole solar system to an exact science and to prove mathematically, through his discovery of gravitation, that the earth goes around the sun. It is true that Douglas was not a professional economist; he was an engineer and a thinker. Newton was not an astronomer; he was a philosopher, and so is Douglas. I say that Douglas is the Newton of economics, because, as Newton discovered or established the proof that the earth goes around the sun, Douglas has provided the proof that no longer does our economic system revolve around production but that it revolves around consumption, and that if we look after consumption, production will look after itself, but the reverse process will not work, because modern science and modern productive methods have made that impossible. The replacement of labour by machine has upset the balance, so we say that if we look after consumption, production will look after itself. That is all we wish to do.

We have been called "red." I know from my own experience that the most bitter opponents we have are the communists. We have nothing whatever to do with communism: we wish to avoid either extreme: we have no use for fascism and no use for communism. We want to preserve all that is good in this system, which is the productive end of it, and we wish merely to make it possible that whatever the people care to produce they shall be enabled to consume. We say that we, the people, should be able to consume to the limits of our desires or of our abilities to produce, whichever comes first; that is all.

I should like to read one more quotation, because the hon. member for Huron North mentioned that the profits of the banks were not so great as might be supposed if our ideas were true.

An hon. MEMBER: What is the quotation from?

Mr. JAQUES: This is from Warning Democracy, by Major Douglas, a copy of which is in the parliamentary library. He has this to say:

> The complaint which is levelled at the banks is generally that they pay too large a dividend. Now curiously enough, in my opinion, almost the only thing which is not open to destructive criticism about the banks is their dividend. Their dividend goes to shareholders and is purchasing power, but their enormous concealed profits . . . do not provide purchasing power for anyone, and merely aggrandize banks as banks. But the essential point in the position of banks, which is so hard to explain, and which is grasped by so very few people, is that their true assets are not represented by anything actual at all, but are represented by the difference between a society functioning under centralized and restricted credit and a free society unfettered by financial restrictions.

We have it from the biggest banker in the British Empire that banks control the policies of the governments and hold in the hollow of their hands the destinies of the people. I do not think anyone in this chamber could successfully deny that statement. We say that that control, that monopoly of credit and money—and without money no one can live, so that, as Mr. McKenna says, those who control money control the lives and hold the destinies of the people in their hands—should be restored to the government in trust for the people.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Hon. CHARLES A. DUNNING (Minister of Finance): The resolution now under discussion, as indicated by many of the addresses to which we have listened, is that kind of omnibus resolution which may mean anything. The fact that it may mean anything is evidenced by the manner in which several hon. members, admittedly differing with the mover of the resolution and his exposition of the meaning of it, nevertheless found in it a means of conveying to the house their particular ideas with respect to what is sometimes, rather loosely I fear, called monetary reform; and they were able therefore to

indicate their support of the resolution while disagreeing profoundly with the mover of it in his statement of the case in favour of it. The hon. member for Rosetown-Biggar (Mr. Coldwell), for instance, in an address which was admirable so long as he discussed economics prior to embarking upon the political portion of his speech, demolished completely all of the arguments of the mover of the resolution; but he concluded his speech by saying that he would support the resolution because he favoured a mild, small, cautious dose of inflation. The hon. member for Rosthern (Mr. Tucker) and the hon. member for Kamloops (Mr. O'Neill) intimated that they would support the resolution because they frankly believe in currency and credit inflation.

I am opposed to the resolution because I believe that nothing could do Canada more harm in this year 1937 than for the idea to go abroad that this House of Commons favoured currency and credit inflation. Certainly any one reading the speeches delivered to-day in favour of the resolution could reach no other conclusion than that in varying degrees the speakers favoured some amount of inflation. Some describe it as scientific inflation, others as controlled inflation; but always inflation was the end of the road reached by various speakers. Various speakers of the social credit group recognize frankly the evils of inflation, recognize indeed that their proposals involve inflation, and they have various suggestions, just as Major Douglas has, to prevent the human suffering which inflation invariably produces.

Briefly put, the social philosophy, as explained by its advocates, proposes arbitrarily to control the price level, by that means avoiding if possible the evils which admittedly flow from uncontrolled inflation. But inasmuch as an increased price level is the major benefit claimed for inflation, I find it difficult to see how it is possible to get the benefits of an increased price level while by arbitrary means preventing the price level from rising.

I am sorry I cannot agree with the hon. member for Rosthern that Canada should copy German financial and economic methods at present in force. Methods which are tolerated by a people willing to make the sacrifice of lowering their standard of living to the irreducible minimum in order to increase their military strength surely should not be advocated by those who profess to desire an improved standard of living in Canada. The hon. member for Huron North (Mr. Deachman) expressed my views when he said in concluding his remarks:

> You cannot in this world get something for nothing without taking that something away from somebody else.

I think the hon. member for Rosetown-Biggar used words carrying almost a similar meaning. More and more as I have listened last session and this, to speeches by those who call themselves monetary reformers, I see the tendency to preach the doctrine that thrift is unsound, that the man who saves a portion of the proceeds of his labour to-day so that he may have the use of it when he can no longer work is somehow an enemy of society. The whole philosophy of social credit is opposed to thrift; it expresses itself frankly as opposed to life insurance, for instance. To me, it seems that, followed to its logical conclusion, this whole argument leads to the point where nobody need work—the state will provide; nobody need save anything—the state will provide. A sort of brain trust bureaucracy by manipulating pieces of paper will plan to give everybody what he needs from birth to death.

In his reference to the international standard of gold backing the hon. member for Rosthern mentioned twenty-five per cent. That is a correct figure except for the qualification that the twenty-five per cent is internationally agreed upon as a minimum. It is correct to say that Canada is not down to the minimum; Canada still has some leeway from the international point of view. From the domestic point of view parliament has entrusted to the Bank of Canada the function of regulating currency and credit in the public interest. Obviously information regarding the day to day discharge of this function cannot be given, but results show clearly the broad line of policy which has been followed by that bank.

I think it may be said with safety that for credit-worthy borrowers, individual, corporate, municipal, provincial and dominion, there prevail to-day in Canada lower interest rates than ever before were known in Canada's history; and I submit that an easy money policy is the best policy for Canada at the present time, however unpopular it may be to those who have money to lend. But, Mr. Speaker, our testing time will come whenever, by means of a too high price level inducing wild speculation in commodities, stocks, et cetera, it becomes desirable in the public in-

terest for the Bank of Canada, in order to check this tendency, to exercise the credit control powers conferred upon it by parliament. That, I say, will be the testing time.

The hon. member for Rosthern desires an explanation with respect to certain instances from the past in Canada which in his view tend to prove the desirability of inflation. I have nothing to say regarding those departures made at various times under the stress of an immediate condition and involving a degree of inflation so small in relation to our total national income as to have had little provable effect either in stimulating our economic life or in producing that all but universal demand for more and more of the stimulant, which has throughout all history brought ruin and disillusionment in the train of inflation.

Reference was made to the fact that velocity of circulation is the really important factor; I forget who it was who referred to that fact. Stated in another way, it is the national income, not the amount of money in existence, which is the vital factor. The velocity of circulation, unless an inflationary expansion has taken place, is much more responsive to control in the early stages of the upward movement of a business cycle than during its downward phases or at the bottom of the depression. The total deposits of commercial banks in various countries are often as great as or even greater during a depression than in a boom period, but unfortunately their velocity of circulation is likely to be greatly reduced, as during the recent depression. I have before me some figures. For example, the average deposits in the English banks in 1929 were £1,861,000,000. At the bottom of the depression, in 1933, they were £1,813,700,000, comparatively a very slight reduction. In 1934 they were £1,911,000,000, or actually £50,000,000 greater than they were in 1929. In Canada the average deposits of the chartered banks in the spring of 1936 were about the same as in 1929, but of course their turnover in 1936 was very much less rapid than in 1929. Now mark this: The national income of Canada was about $5,690,000,000 in 1929 and only about $3,614,000,000 in 1934, although 1934 showed improvement over some of the intermediate years. This reduction of national income is about what would be expected in the light of the decrease in turnover, or, in other words, the decrease in velocity of circulation, since 1929.

What we really need is an increase in the national income. The government has been trying to effect this increase in national income by various methods. All governments are striving to increase their national incomes, meaning by that the income of all the people within the limits of the nation. For instance, we are trying to expand our markets with foreign countries through the removal, so far as possible, of restrictions on international trade. We are all trying to stimulate employment, and we are trying also to maintain the confidence of the Canadian people so that the efforts to foster employment will not be more than offset by the retarding of business activity, caused by uncertainty and fear.

The government, of course, by amending certain statutes could create for itself unlimited quantities of money. There is no doubt about the ability and capacity of this parliament to create unlimited quantities of what would be known as money. We could print paper money or, since this would be a somewhat awkward and unnecessarily expensive way of dealing with the matter, we could provide for unlimited credit in the form of deposits in the Bank of Canada. The final result of these devices would be the same; that is, the creation out of thin air, shall we say, of money which the government could spend. I think it will be generally accepted by thinking men everywhere, and particularly by those who study the experiences of the past, that the creation of money in this fashion cannot fail ultimately to reduce the value and purchasing power of the money already in circulation. If anything is written plainly on the scroll of history, surely that is.

The point I am making is this, that the creation and spending of new money on an appreciable scale cannot in any real sense be regarded as the creation of purchasing power, since its creation results ultimately in a corresponding reduction in the purchasing power of the money already outstanding. An increase in real purchasing power can come about only through an increase in the national income, and this is not achieved by the mere act of creating money. We could to-morrow change the length of the yard as a unit of measure and thus increase the number of yards of cloth in the country. We could do the same thing in the monetary field; we could change the yardstick used as the measure of value, and thereafter be able to estimate our wealth in a greater number of lower value dollars.

Mr. WOODSWORTH: May I ask if we have not already changed the value of the dollar?

Mr. DUNNING: Yes, Mr. Speaker. One of the results of the great war and what followed was that tendency, that necessity

on the part of practically all countries in the world. Some were slower to come to it than others; all hesitated because of what the facts of history teach with respect to it, and it was only when reasonable unanimity of approach to the problem was secured that the world commenced to rise out of the depression. To-day the relative exchange values of the British pound sterling, the American dollar and the Canadian dollar are marching along steadily. They are not subject to the wild fluctuations in relative values which affected them prior to the commencement of the upturn. I think it is correct to say that the financial statesmanship of the world, during the years from 1930 to 1933 or 1934, was much more exercised with that problem than with all other financial problems put together. It was not until, I would not say a solution was reached, but until reasonable harmony was established that it was possible for that confidence to be created upon which is based the exchange between peoples of their surplus commodities. Indeed, I shall go as far as to say that the adjustment, the management which now exists between the leading currencies of the world was an absolutely necessary preliminary to the revival of international trade; that without it I doubt the possibility of the revival measures which have been taken by various governments of various countries being at all effective.

I have little more to say, Mr. Speaker. All history teaches us the appeal which proposals of this kind have to the ears of men and women who are experiencing great hardship. There never has been in any modern country a time of hardship which did not have as a part of its phenomena a development of so-called monetary reform which always received for a time in all countries very wide support. In some countries the effort was made, with results that are written large on the pages of history, results which drove the common people of those countries further into the mire than they were ever driven by any depression. In other countries, notably the great republic to the south, the agitation for monetary inflation lasted in various forms for a long period of years. It was never successful. I would not use the term "monetary reform" because I do not regard inflation as monetary reform. I regard uncontrolled inflation as the worst kind of monetary reaction. It is destructive.

Moreover, sir, I still believe in the virtue of thrift, I still believe that a man in the full flush of his manhood has not merely the right but the duty to himself and to those who depend upon him to set aside in any manner which seems good to him a portion of the proceeds of his labour to-day in order that he and those dependent upon him may not later be dependent upon the state. To my mind the strength of the state is the strength of that spirit of independence among the individuals composing the state, and nowhere is that spirit of independence stronger than it is upon the western plains. Nowhere is it stronger; nowhere is it more pronounced; no people will respond to it more readily. To-day they are ground under the heel of climatic conditions unprecedented on this continent.

An hon. MEMBER: And what else?

Mr. DUNNING: And other conditions, too, conditions which we may be thankful are gradually, slowly but surely being remedied.

I ask the house to defeat this resolution for the reason than an acceptance of it will say to the world that this House of Commons is in favour of some form of undefined inflation of our monetary standards.

Right Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, I do not propose to speak at length upon the resolution now before the house, but having heard read the careful essay by the Minister of Finance (Mr. Dunning), as representing—

Mr. DUNNING: What is that?

Mr. BENNETT: That is what I said.

Mr. DUNNING: Would my right hon. friend like to look at it?

Mr. BENNETT: Certainly.

Mr. DUNNING: These are my notes.

Mr. BENNETT: It represented the view of the department.

Mr. DUNNING: It represents the views of the minister.

Mr. BENNETT: And of the government. I can only repeat that there is every reason in the world why members who supported the Liberal party at the last election should take the view which has found expression in this house to-day. How could it be otherwise?

What was said from this side of the house during the long years in which we were endeavouring to lay the foundation to which the hon. member to-night referred? What was the Minister of Justice (Mr. Lapointe) doing? What was the Minister of National Defence (Mr. Mackenzie) doing? The avowed exponents of the principles of the then opposition cheered loudly and voci-

ferously, yes, cheered day after day, as he attacked the financial policies of the then government, and declared what his party would do had they the opportunity.

I shall not content myself by making that statement, but I shall read from the considered and expressed statement of the present Minister of National Defence as it was made in this city on July 5, 1935, just before the last election.

> Canada must, Mr. Mackenzie declared, break down tariff barriers; she must even experiment with international barter if necessary. No, he does not declare for free trade; but for "freer" trade, yes.
>
> Incidental to the housing scheme of the present government which Mr. Mackenzie finds so distressingly half-hearted, he recalls his recent visit to Britain. There, he says, a comprehensive housing scheme promises to eliminate all the slums of London and Glasgow in the next five years.
>
> Ask Mr. Mackenzie where the money is coming from and he doesn't even hesitate with his millions. The government has $110,000,000 of gold now worth $118,000,000. On a 25 per cent reserve basis it can issue notes to the extent of $720,000,000 as against the paltry $259,000,000 now in circulation. Use that extra currency to retire public debt, reduce interest to 2½ per cent and you will compel money to seek industrial investment.

That was the statement made by one who is now a responsible minister of the crown, one who has made similar statements in this house, as will be shown by Hansard, and the loud and vociferous cheers of those who sat behind him in the house at that time will be recalled by every member, yes, by every member. They cheered the reading of the Macmillan report, just as it was read this afternoon by the hon. member for Rosthern (Mr. Tucker), and the reading of the Canadian Macmillan report, as it was done this afternoon. Then, amid loud and vociferous cheers, those who now are before me and who were in the house in those days declared that what should be done was to take the action as indicated in the excerpt which I have read. Is it any wonder that when financial leaders of the opposition went into their constituencies and made statements they were believed, as was said by the hon. member for Rosthern this afternoon.

I shall not again traverse the speeches of the first minister (Mr. Mackenzie King). I shall not traverse what I said last session, or the statements that he made in this house in declaring what the policy of the Liberal party was. I shall not repeat the language used in those speeches which were given the house by the hon. member for Vancouver-Burrard (Mr. McGeer). I shall not do that, because it has already been done. But the language that was used, the very words that the first minister used on those occasions, were the words which were coined, so far as the resolution is concerned, by that member himself, the hon. member for Vancouver-Burrard.

And with that slogan in their ears the Liberal party went out and sought the support of Canada. I say it lies with no good grace in the Minister of Finance to make the statements he has made here to-night when we remember the stand of the chief financial critic of the opposition of that day. He was constantly at it, with the Macmillan report in his hands, both the English one and the Canadian one, and with the approval of his leader, because many times I have sat over there and have listened to the present Minister of National Defence as he made statements analogous to the one I have just read. Hon. members will find them written on the pages of Hansard. Is it any wonder, therefore, that we find members of the Liberal party seeking support in their constituencies in the terms of the resolution now before the house? Is it any matter of surprise that they should do so, in view of the lead that was then given them? I am rising only to direct attention to that fact and to one other. Faced with the greatest difficulties known to this country, difficulties such as never have been known before—and for the first time I have heard a responsible minister opposite make reference to them; the minister made reference to them to-night in terms of the real facts—faced with conditions as difficult as they could be, or as bad as they could possibly be, the government of the day battled on. But whenever we spoke of the efforts we were endeavouring to make to deal with the situation, night after night we were met with criticism almost the same, in terms of the language used, as that offered by the hon. member for Lethbridge (Mr. Blackmore) yesterday and the hon. member for Rosthern to-day.

When reference is made to the issue of $35,000,000, I say that certainly $35,000,000 were issued under the terms mentioned by the hon. member for Rosthern. He has correctly stated the circumstances in connection with this issue. At one time the conditions of this country were so serious that those responsible for its administration were fearful of what might happen from day to day. Although there is no denying that there was opposition from many sources in the country, the experiment was made. But it was not continued because the Bank of Canada was thought to be clothed with sufficient authority to cope with any condition that might arise.

The minister has stated to-night that the Bank of Canada was capable of dealing with any situation of that kind which might arise with respect to either currency or credit.

It will be recalled that following the world conference we did propose and carry through this house a measure by which it was provided that currency might be issued with twenty-five per cent metal backing up to $120,000,000. After that it was to be dollar for dollar. However, when the Bank of Canada Act was passed and in operation, there was no limitation placed upon it because in the very nature of things that reserve bank, which it is, was regarded as having sufficient powers to deal with the situation. It was satisfactory to hear the minister say to-night that that was so. It was satisfactory to those of us who laboured against such opposition in those days to hear from him the statement he made with respect to the Bank of Canada, the usefulness of which has been somewhat impaired by the tinkering which has since taken place, but which we can discuss at another time. It is desirable that the house should realize that the situation which confronted this country was one of extreme gravity, calling for prompt and effective measures if we were not to become bankrupt.

Let me say to hon. members who are present in such numbers on the opposite side to the one they then occupied, that no bank in Canada closed its doors during those days, and that no depositor who had funds in a bank wrote a cheque which was not honoured. That could not be said with respect to our great neighbour to the south. Then there was the difficulty which was encountered by the Bank of England and which, as was known to all, had upon this country repercussions, the full extent and effect of which few people have any understanding of at all.

Mr. DUNNING: And which may not be known for years.

Mr. BENNETT: I agree with the minister. The effects may not be known for years because in the very nature of things they cannot be. Those of us who had to meet the full force of them at the time—

Mr. CAHAN: On twenty-four hours' notice.

Mr. BENNETT: —less than that—did not receive very much sympathy or support from those who now occupy the treasury benches. That was the position. When we hear members of the Liberal party taking the position they do in this house, we realize that they are but giving voice to the sentiments which week in and week out, month in and month out, were made the subject matter of attacks against the then administration. More than that, when the imperial trade agreements were before this house the Liberal party as a party voted on the amendment of the then hon. member for Macleod, Mr. Coote, that the agreements would be approved if the dollar were tied to the pound. There is the record. They rose one after another, with the present Prime Minister (Mr. Mackenzie King) leading them, and voted for that. That is what happened in this house. When we hear from the mouth of the Minister of Finance a vindication of the policies that were pursued, those of us who were associated together in those dark days rejoice that those now in office are pursuing the policies of their predecessors.

An hon. MEMBER: No.

Mr. BENNETT: I say, the policies of their predecessors with respect to financial matters. Who but the late government initiated the policy with respect to financial administration that is now being pursued by this administration? Who commenced the policy of conversion which has saved the taxpayers of this country $16,000,000 per annum in interest charges? Who commenced the sale of short term treasury bills? The government of that day was told that it could not be done, but we said that we were going to sell them and we succeeded in doing so. The government of that day commenced a program which has been of the utmost value to this country and which is now being followed by the government of the day.

It is true that the capital of the Bank of Canada has been increased by $5,000,000. Of course that is very hopeful and helpful when it was not required. Coincident with that there is to be a reduction in the capital of the Canadian National Railways, I suppose as a sort of balance. It is a case of reducing one and increasing the other; one will offset the other. It is quite obvious—I am quite happy to be able to say so—that the whole financial policy followed by the government of the day is the policy followed by their predecessors in office. It is not the policy which they advocated in opposition. I shall not trouble to read at great length from the many speeches of that sort which will be found on Hansard. Of course I do not propose to vote for the resolution.

There were long years when we had to meet most difficult conditions, when the Australian situation was being pressed upon our

attention, when conditions which arose in England were constantly being presented for our consideration and when we were told that inflation was the thing to pursue and that we should pursue it. Professor Kammener of Princeton university has been called the money doctor of the world. He is responsible for having done a great deal in connection with currency matters in many countries. In his book on money he points out that uncontrolled inflation has always led to one result. It will be observed by those who desire to read that just a single cent of United States currency was capable of acquiring the entire mortgage debt of the German Empire in the March before the war. "Easy is the descent to hell" is an old maxim.

Mr. DUNNING: Before the war?

Mr. BENNETT: In the days of inflation a single United States cent was capable of purchasing marks sufficient to equal the pre-war mortgage debt of the German Empire. When I read that I thought it was a misprint, but I found that it was correct. Professor Kammener points out the reasons why uncontrolled inflation has always led to one end. Inflation has been practised in this country and in other countries, and will probably be practised in the future in still other countries; but for some strange reason, once you start people on the road to inflation there never seems to be an end until bankruptcy and ruin are reached. That is the history of the world.

Canada is now showing signs of recovery. When I think of the revenues of to-day and compare them with what we had to endeavour to get along with in days gone by; when I think of the shrinkage in trade, not only of this country but of the whole world, and how international trade fell to one-third of what it was before the depression; when I think of the conditions under which we had to struggle, I cannot but feel, whatever it may have been necessary to do in times of strain and stress and peril, there is, so far as I can observe, no occasion or necessity for any such action at the moment. I trust that the occasion may never again arise in this country. I trust that we may be able to continue the course which we are now following. But when leaders of public thought and opinion induce their party when in opposition to believe that certain things are possible, and that because they are not done by the government certain evil results follow, they cannot when in power blame those who believed that they were listening to sound statements of the party's view when in opposition. That, I think, is clearly apparent to-night, but the fact that it is apparent is no reason why for a single moment I should do other than vote against this resolution, not only for the reasons that have been given by the minister and others, but because I have not changed the opinion which I held when responsibility was ours, nor do I think any of my colleagues have changed their opinions. However great may have been the necessity for taking action of an exceptional nature to deal with exceptional conditions, this is neither the time nor the place nor is it desirable to depart from known, sound rules that will enable us, I trust, not only to continue to revive the fortunes of this country but to make them even greater than they have ever been. That, I believe, is the earnest desire of every member of the house. The fundamental principle is that we must have soundness at least in finance. Many improvements have been and are being made from time to time throughout the world, and we in common with other nations are improving our views and our technique in the general administration of these problems, but we are not departing, I trust, from a rule which is salutary and sound, and which is fundamental to the peaceful and orderly development of our resources and the revival and improvement of our economic conditions.

Mr. J. H. BLACKMORE (Lethbridge): Mr. Speaker, in rising to close this debate I feel moved to make one observation. I am the more persuaded that the fundamental principles underlying this resolution are sound by reason of the apparently deliberate attempt by those who have spoken against the resolution to distort it. I believe before I get through I shall be able to show that those who have opposed this resolution have consistently distorted it. As one simple illustration, the right hon. leader of the opposition (Mr. Bennett) has just been talking of "uncontrolled inflation." There has not been one member of this house or, so far as I know, anybody in this dominion who has advocated for one single minute uncontrolled inflation. I said the other night time and again that we do not advocate inflation at all. It is easy enough to laugh at matters that we know little about. The word inflation has two meanings: first, a rise in price of goods or a fall in the purchasing power of the dollar or other monetary unit; second—the meaning which the banking fraternity are endeavouring to impress upon the people, and which they have even succeeded in bringing into the dictionaries—that inflation means any kind of money whatsoever which the bankers

do not themselves make. No one, I repeat, is advocating uncontrolled inflation, nor is anyone from this side of the house advocating inflation at all. I have enjoyed this discussion tremendously, but it is altogether too bad that the intelligent minds of this house could not have concentrated their attention on realities instead of on a great many foolish distortions.

Let me proceed now to take up some of them. In my remarks to-night I think I shall hardly do more than simply point out some of the silly things that have been said. In the first place the hon. member for Huron North (Mr. Deachman), who is rapidly gaining in this house a reputation for extravagant and radical remarks, made several statements the other night. Some of them I shall not deal with at all because they are beneath contempt. But take that remark when he said, "What will be purchasing power in that island? It will be production." Well, everyone in his senses agrees that production is purchasing power; everyone knows that. I pointed that out time and again. But the trouble is, if I raise a steer out on the Alberta range, and a man down in Toronto or some other eastern city manufactures shoes, while the steer should be purchasing power for the shoes, and the shoes purchasing power for the steer, nevertheless under the highly complex organization of society to-day, unless there is money between the two, there will never be any means whereby the steer can be purchasing power for the shoes. It is precisely as the hon. member for Vegreville (Mr. Hayhurst) pointed out the other night. He told the story of an island which had languished because it could not get shark's teeth. Did that island languish because there was not plenty of production on that island? Of course not. It was because there was no medium of exchange on the island. I shall deal with that further as I go along.

Let me say to the hon. member for Huron North, if production is purchasing power, why, then, cannot production be used as purchasing power—the coal, for example, of which we have an unlimited quantity in Alberta, and our wheat, our meat, wool, butter and all the other commodities that we produce? Why cannot we use these as purchasing power? Simply because we have at the present time no means whereby we can equitably market these goods without a medium of exchange which we call money. We should be able to buy shoes with this production, this purchasing power, but we cannot do so, and the reason is that our monetary system is not functioning as it should.

Here is another point. The hon. member for Huron North asks: "Why cannot you buy a Royalite well?" Why cannot the government buy a Royalite well when the Bank of England, simply by writing an order on itself, can buy gold and get the gold for nothing? Some people will laugh at that statement, but it is strictly true. For if the Bank of England writes a cheque upon itself for gold, and the man who presents that cheque gets Bank of England bills which cost the Bank of England nothing to print, where has the Bank of England paid anything for the gold? This idea has been gone over time and again, but I shall go over it a little more: This is a statement of the assistant under secretary of the British treasury:

> I agree with Major Douglas that banks create money and that trade depression arises from faults of the banking system in discharge of that vital function.

The Right Hon. Reginald McKenna, ex-Chancellor of the Exchequer and chairman of the Midland bank, said:

> The amount of money in existence varies only with the action of the banks in increasing or diminishing deposits. They who control the credit of the nation, direct the policy of governments, and hold in the hollow of their hands the destiny of the people.

That should be clear enough. Why all the sidestepping? Why the silly distorting in such a childish manner? The issue is straightforward. Either that man knows what he is talking about, or he does not. If he does, then it is time we sat up and paid close attention to it. If he does not, then it is time we proved it. Major Douglas, in his Monopoly of Credit, has made this statement at page 15:

> It may be noted in passing, that this is the same thing as saying that a bank acquires securities for nothing, in the same way that a central bank, such as the Bank of England, may be said to acquire gold for nothing. In each case, of course, the institution concerned writes a draft upon itself for the sum involved, and the general public honours the draft by being willing to provide goods and services in exchange for it.

Those words are straightforward and clear and the meaning is beyond question.

Again, the hon. member for Huron North sneered about the prosperity certificates which Alberta attempted to use. I should like to know why hon. members have dragged Alberta into this debate, which is a purely dominion one.

An hon. MEMBER: The same theory.

Mr. BLACKMORE: We have not mentioned Alberta for one minute, nor have we mentioned Aberhart.

Mr. FRASER: You do not want to.

Mr. BLACKMORE: Of course we do not want to, until the proposal has been tried out. If some of the members would have sense enough to open their minds and pay attention to some of these matters we should get somewhere.

Some hon. MEMBERS: Order.

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

Mr. BLACKMORE: Surely.

Mr. FRASER: Will he kindly explain to the house why he applies the word "silly" to all statements or remarks coming from somebody else, in which he does not believe, assuming that everybody else in the house has no sense and that he has a monopoly?

Mr. BLACKMORE: I cannot remember any time having said that everything I did not agree with was silly. The hon. member for Huron North made this remark, "Give us the way. We want to know how to do it." Suppose I showed him that an automobile would work, that the automobile was a reality, that the fact was testified to by a hundred pepole; the hon. member, I suppose, would be unwilling to take the automobile unless I could show him exactly how to make it. An hon. member has asked me why I use the word "silly." If that is not evidence enough, perhaps he will get some more as we go on. Certain it is that the men who have worked this proposal out have devised currency commissions and a great number of mechanisms as a result of which it can be put into effect. The trouble is that the majority of these people who are having so much to say about it have never in their lives read a book on economics, and consequently know nothing about it. Another statement made by the hon. member for Huron North is, "You cannot increase the purchasing power of one group without taking it away from some other." When money was issued by the dominion government and was given out to certain people, did it take anything away from anybody? Of course it did not. A little thought will show that that is egregiously silly. The hon. member will soon find out why the word "silly" was used.

Of course, production is the basis of money, and where goods and services are, money ought to be, because money merely represents goods and services. The hon. member blames Alberta because of the effort she is making to establish a system which properly should be created by a sovereign country. We out in Alberta fully recognized that we should be facing grave difficulties if we undertook to put social credit into effect in that province, for the simple reason that we had not the power to legislate in regard to legal tender. I say we knew that. But we knew also, from the rate at which intelligence and understanding of this matter were developing over the dominion, that Canada would probably go down to complete ruin before anything was ever done, unless we started to do it. It is an interesting fact that the hon. member for Huron North was busying himself most industriously all through the Alberta campaign writing endless articles to show that it could not be done. Since Mr. Aberhart has been mentioned, I may say that he said, "It cannot be done inside eighteen months." He has been in office only sixteen months, and the hon. member is now trying to force Mr. Aberhart to go a little faster, notwithstanding the fact that in that time we have had two terrible crop failures, the worst failures in the history of the land. All that social credit is is a proposal for distributing goods you already have. We know perfectly well that when you are not producing the goods you cannot distribute them. But the situation we found ourselves faced with was that we could produce goods in limitless abundance but we could not distribute them, and we are getting no assistance. And that sounds perfectly right, nothing at all to laugh about.

In addition, throughout our efforts we have had an apparently secret but determined influence exerted against us, in connection with the use of the prosperity certificates, and in preparations to block the use of Alberta credit. Even with regard to the signing of the covenants and getting ready for the voluntary introduction of social credit we have had the same opposition to contend with. Talk about giving a country the right to govern itself! Talk about there being no financial influence over countries and governments! It is terrible.

I turn now to deal with one or two matters that came up the other day in debate. The hon. member for York South and I had, quite good-naturedly, a little disagreement, which I think I had better spend a minute or two to clear up. As appears in Hansard, at page 131, column 1, a little passage occurred between the two of us. I am afraid that unless we clear this matter up there will be doubt in the minds of those who read it later on as to which of us was right or whether we were both wrong.

An hon. MEMBER: You are always right.

Mr. BLACKMORE: You said it. You are learning fast. I read from Hansard:

Mr. Lawson: But I have read it, and I am trying to get my hon. friend to explain to my satisfaction that there is no intrinsic value behind this credit which he is going to set up.

Referring to the orders in the island backed by the block of gold.

Mr. Blackmore: Very good, but you will find that the backing of that money was the goods and services, the producing and consuming power of that island—

In the light of that definite and clear pronouncement, can one term the kind of opposition that the hon. member for Huron North made to my speech as anything but silly?

Mr. SPEAKER: Order.

Mr. BLACKMORE: Going on—

Mr. SPEAKER: Order. I have heard the hon. member once or twice use that word. In my opinion it is not proper; it is not parliamentary.

Mr. BLACKMORE: I will not use it any further; I have several others just as good. To continue the quotation:

. . . the producing and consuming power of that island, the exchanges, as Sir Norman Angell says. It will take a good deal of laughing to explain that away.

Mr. Dunning: Sir Norman Angell did not say that.

I did not at that moment wish to contradict the Minister of Finance, but I did think it would probably be a good thing for this house to have that point cleared up, and therefore I have brought into the chamber on this occasion the pamphlet from which we were quoting, Your Money—Plain Facts in Plain Words by Sir Norman Angell. I believe it would be in the interests of certain hon. members to hear certain passages that appear in that book. I would quote the passage at the top of page 20 which closes the story of the sailor who issued the orders. These are the author's words:

Everybody forgets about it—

That is gold.

Everybody forgets about it since the paper is accepted without question. The gold might have been a bit of gilded lead for all the islanders knew. But it did the trick, and the sailor was wise enough not to "inflate" his currency.

That deals with the first part of it. Now may I turn to page 13 at the bottom of column 2. I fancy that the orthodox financial people in this house will be astonished to learn their great hero, Sir Norman Angell has this to say on the subject:

Now, it would make no difference to the value of Law's money that it should be "backed" by the resources of the Mississippi valley, or to the French revolutionary money that it should be a mortgage upon the national possessions—

Mark the words:

—if the money were issued in too great a quantity in relation to the exchange of goods to be effected. Both of the moneys just mentioned became utterly worthless—

These are two of the moneys to which the Minister of Finance referred in such eloquent indignation. Notice what Sir Norman Angell says about them:

Both of the moneys just mentioned became utterly worthless, although all the resources of France and the French empire did "stand back of" them.

If the quantity had been limited it would not have mattered in the least that nothing stood behind them in the material sense.

This must be hard on the hon. gentlemen who contend that there must be a backing.

So long as they were legal currency, and their quantity was limited, their value would have been maintained.

You have noticed, Mr. Speaker, how consistently hon. members who oppose this resolution have tried to bring in uncontrolled inflation. We propose nothing of the kind. Let me continue the quotation:

What wrecked them was their excessive quantity. If the effect of putting material wealth "behind" money is to limit the quantity, to cause it to bear some quantitative relation to goods, the device, of course, serves the purpose of limitation. But it is the limitation of quantity which constitutes the guarantee of its value. Ricardo saw this quite clearly when he wrote:

"There is no point more important in issuing paper money than to be fully impressed with the effects that follow from the principle of limitation of quantity. It is not necessary that paper should be payable in specie to secure its value; it is only necessary that its quantity should be regulated."

Now this truth, that the value of money depends in the last analysis, not upon the material of which it is made, or upon being "backed" by this or that commodity, but upon its quantity, opens up great possibilities for man.

What we are contending now is that this country should begin to use the possibilities which are open to us.

He is not necessarily in this vital question of money the slave of a circumstance outside his control like the discovery or the failure to make adequate discovery of gold. He can control his money, make it his servant instead of his master, if he can learn the trick, the technique.

There are several other interesting points which I could touch upon, but I suggest that hon. members read the account given in this book of what was done on another island the island of Uap of the Carolines. An interesting story is told showing that the islanders used large stones as money.

I turn now to the comments of the Minister of Labour (Mr. Rogers), who referred to the cause of inflation. I contended time and again, in the quotations I gave the other night, that when you issue money you must be sure that you have plenty of goods; but when you have plenty of goods you can have plenty of money. That point was entirely ignored by the Minister of Labour. I will ask him this question: Would you give $200,000,000 as bonuses to widows if you had it given to you as a free gift from some great financier like Ford? I think anyone would answer, yes, surely. Well, if you can give $200,000,000 as bonuses to widows would it cause inflation? No, of course not, because we know that there are enough goods and services in the dominion to absorb $200,000,000. Would you consider tourist traffic money sound? Yes, surely. Would you consider public works money sound? Yes, it is sound. The Minister of Labour said it was sound; he saw no way in which it would serve as a real solution, though nevertheless it was sound. Therefore I say it would not cause inflation.

Mr. Aberhart and the question of dividends have been dragged into this discussion. I do not see the reason for all this restless haste on the part of some hon. members. If they will wait long enough we will bring in dividends. They do not need to run ahead of us, for I fancy that we are now going as fast as they can keep up with us. They can leave the matter entirely to us.

Not more than two or three years ago men were talking about over-production; we had more goods then than we knew what to do with. To-day in Alberta you can go into the yards of many manufacturers and find stacks of goods that will never be sold. Why should there not be money to move these goods? We already have production; why not have the money that represents that production?

I am going to read a word or two more about inflation. That seems to be the thing people are determined to talk about, and so I shall quote a passage which I read yesterday and which apparently has not been noticed. It appears in World Finance Since 1914, by Paul Einzig, published in 1935.

[Mr. Blackmore.]

I quote from page 17:

> The more advanced definitions of inflation duly allow for any change in the volume of real wealth. Thus if the volume of currency and credit increases, and the production of real wealth increases in the same proportion, then there is no reason why the expansion of currency and credit should produce an inflationary effect, even if it affects the spending power of the community. It is only if the increase of currency and credit is in excess of the additional production of real wealth that it is defined as being of inflationary character.

The whole contention of the social credit advocates is that we are now living in an age of abundance, and what we have not at present we can produce; consequently the danger of inflation which might have prevailed in the past is now in large measure removed because of our tremendous ability to produce goods.

This is another passage which appeared in the Midland Bank Review for July and August, 1935, at page 3:

> In the circumstances now existing there need be no fear that an expansion of note circulation, even if it demands an increase in the fiduciary issue, is inflationary. In this country inflation, if it comes at all, comes not through the note issue, but through bank deposits which are the governing portion of the money supply.

Let me break in here, Mr. Speaker, to point this out: This is the danger which we face. It is inflation from bank deposits. We lift our hands in horror in this house at the thought of producing a hundred million dollars of national money, but we would not hesitate at all to allow the banks, for example, to produce four hundred million dollars of bank money. That could not cause inflation at all. You see how inconsistent this kind of thinking is. Now I continue quoting:

> Nor can expansion of the note issue be taken even as secondary evidence of inflation unless commodity prices show a strong upward movement, gathering momentum and threatening to require strong measures for its arrest. So long as a pound note buys a steady amount of goods and services there can be no inflation even though a larger population and a higher standard of living call for more and more numerous pound notes.

I believe that ought to be sufficient for all those who read with care. It is quite clear.

There are certain questions about which I believe we should talk. It is noteworthy that where money supply falls off production falls off. This has been discovered to a surprising degree in the United States, and they are quite astonished at it. They lost a tremendous amount of their national production because a great deal of their money was withdrawn. The question which naturally

arises in the minds of all those thinking about this matter is why, by some means or another, the money supply could not have been kept up and thus the production kept up and used to supply the needs of the people suffering in poverty. That is the whole contention, and the chief point to be considered. In Canada to-day we have unemployment and suffering, but not because we cannot produce all the things we need. We can produce all the beef, flour, milk and cream, eggs, butter and coal that we require. I do not know how many different commodities there are; there must be scores and scores of them. We can produce them in abundance, more than we can possibly use; yet we allow people right in the presence of these goods to suffer. Only money can distribute these goods, and the problem is to get that money into circulation. The banks cannot circulate it for the simple reason that bankers cannot let out money except as loans. That is where the problem lies.

Now I come to the remarks of the hon. member for Rosetown-Biggar (Mr. Coldwell). From the way this hon. gentleman spoke it appeared to me that there must be a terrible fear that someone will consume something he has not produced. Well, no one seems to be concerned about the amount consumed by those men who receive huge pensions. No one is worrying at all about that. If we had a multimillionaire in Canada whose property passed on to his children, no one would ever worry because they consumed what they had never produced. But some poor person who is out of employment, and who is unable to get a job no matter where he goes, must not use what he does not produce. Does that sound wonderfully intelligent?

There is another very important point, the concentration of money, which the hon. member also mentioned. We are aware of the concentration of money. What advantage would it be to a community if there were a million dollars in that community and all that money was in the hands of ten people, while there were thousands who needed the money? If they could not get the money out of the hands of those ten people what should they do, just stand there and starve to death? Why not have new money, as they had before these few men got the million dollars? There is the problem. How can you get the money away from the man in whose hands it is now concentrated? You have no right to confiscate that money or tax it all away. If you borrow it you must pay it back with interest, and go into debt, and then you have to keep their commandments both before and after you borrow it. What are you to do? That is the question. You are at their mercy. The hon. member for Rosetown-Biggar does not seem to have taken that into account at all.

There is another point that I have noticed particularly in connection with the members of the Cooperative Commonwealth Federation group. I have not said anything to them about it as yet, but these people appear to be tremendously worried for fear the social credit people will not be able to tell this house what they believe in. Consequently these gentlemen are bobbing up three or four times every month trying to tell this house what members of the social credit party believe in. Let me say, Mr. Speaker, that social credit is completely capable of speaking for itself.

Then the Minister of Finance (Mr. Dunning) made some statements which, I think, were probably rather ill considered. He has been extremely good natured and tolerant about this matter; he and I have had a little difference, but I feel very kindly towards hon. members opposite even though I did use the word "silly." But if my ears did not deceive me the Minister of Finance made the positive statement that social credit opposes life insurance. I cannot remember ever hearing that social credit opposed life insurance. Certainly no member in this house has said anything about that. Why make a remark of that kind to divert the attention of the people away from the real issue?

Then the Minister of Finance made the remark that our well-being depends upon our national income. The other night I quoted figures from good authorities in the United States, where men have investigated this question with great care, to show that the income of the country depends directly upon the amount of money in circulation in the country, and for every $3 of income, wages, salaries, dividends or anything else, there must be $1 in circulation. If the Minister of Finance and the government are so completely desirous of increasing the national income, it seems to be strongly suggested that they could do so by increasing the money in circulation, which apparently they are not at all disposed to do.

I maintain that national money gradually issued will not cause inflation or, in other words, a rise in prices. No evidence has been brought forward during the course of this debate to show that this result will follow. In this chamber no one has risen, in connection with any of the issues of money mentioned this afternoon by the hon. member for Rosthern, to say that this caused inflation, and

no one can prove that it did. If anyone can do so I shall be a ready listener. If $50,000,000 or $35,000,000 were used with no dangerous results, who is to say that $35,000,000 a month for a number of months necessarily would bring about dangerous results?

In consideration of the matters I have mentioned, Mr. Speaker, I believe I am justified in saying once more that whereas it is legal for this country to issue national purchasing power; whereas there is no sufficient and conclusive evidence that the issue of national purchasing power would cause inflation, and whereas the need for new money is very grave in this country, for a great number of reasons, I do not hesitate to ask the members of this house to support this resolution. But before taking my seat there is one further point to which I should like to direct the attention of the house, another slight discrepancy in the remarks of the Minister of Finance. The hon. gentleman said that if this house adopted this resolution it would commit itself to the idea of inflation.

Mr. DUNNING: No, no; my hon. friend is misquoting me.

Mr. BLACKMORE: I shall be glad to be corrected.

Mr. DUNNING: I said that, in the light of the speeches which have been made in support of the resolution, the idea most certainly would go abroad that this house was favourable to inflation.

Mr. BLACKMORE: The resolution says specifically that this house should consider—

Mr. DUNNING: Consider?

Mr. BLACKMORE: Surely in a time like this, when conditions are changing so rapidly, hon. members of this house could with advantage take time to consider the question of issuing national currency.

Motion negatived, on division.

MOTIONS FOR PAPERS

PACIFIC COAST STEAMSHIP SUBSIDIES

Mr. REID:

For a copy of all letters, telegrams and correspondence from January 1, 1936, to December 31, 1936, between the Canadian Pacific Railway and the Department of Trade and Commerce, regarding the matter of subsidies to boats operating between the Pacific coast ports of British Columbia and the orient.

WAINWRIGHT BUFFALO PARK—DISMISSAL OF H. B. KNOX

Mr. FAIR:

For a copy of all correspondence, since April, 1936, in connection with the dismissal of H. B. Knox from the Wainwright buffalo park, in June, 1936.

[Mr. Blackmore.]

WAINWRIGHT BUFFALO PARK—DISMISSAL OF H. B. WALKER

Mr. FAIR:

For a copy of all correspondence and other documents, since August, 1936, in connection with the dismissal of H. B. Walker, farm supervisor at Wainwright buffalo park.

WAINWRIGHT BUFFALO PARK—GARIEPY INQUIRY

Mr. FAIR:

For a copy of all correspondence, evidence and other documents since August, 1936, in connection with the inquiry held by Mr. Gariepy at the Wainwright buffalo park, in October, 1936.

CANADIAN WHEAT BOARD ACT—ORDERS IN COUNCIL

Mr. PERLEY (Qu'Appelle):

For a copy of all orders in council passed pursuant to the Canadian Wheat Board Act since October 23, 1935.

PURCHASING POWER

PROPOSAL FOR THE ADOPTION OF A NATION-WIDE SCHEME FOR FINANCING CONSUMPTION

Mr. VICTOR QUELCH (Acadia) moved:

That, in the opinion of this house, the time has arrived in Canada for the adoption of a definite, scientific, nation-wide scheme for financing consumption.

He said: Mr. Speaker, I am moving this resolution in recognition of the fact that today we are living in a country in which in practically every sphere of industry our powers of production are greater than our powers of consumption, and in recognition of the fact that there can be no justification whatsoever for industrial stagnation and unemployment in the midst of actual demand for goods. I believe the reason lies in the fact that we are operating under a system which was evolved in a time of scarcity, one which has not been able to adapt itself to an era of potential plenty.

The major problem, as I see it, is how in a practical manner, while giving full range to individual freedom and initiative, to distribute the abundance of wealth that science has made available. I realize that perhaps many hon. members may deplore a further discussion of economics. I remember that at the last session the hon. member for Parkdale (Mr. Spence) said we should stop talking economics and get down to business. I think he stated, as a matter of fact, that what we wanted was economy. We must realize, however, that acts of economy may very easily prove to be false economy, unless there is a thorough understanding of the situation.

For example, what would be the result upon the economic structure of Canada if all relief were abolished to-morrow? Entirely apart from the terrible and distressing conditions which would result to many of our people, what would be the effect upon industry? What would be the effect upon the small merchant, and especially those merchants in the distressed areas who are dependent upon the receipt of relief payments to carry on their business? What would be the effect upon employment? I am satisfied the result might put us right back into the depths of the depression. To-day I believe we are too prone to consider the cost of relief, and we do not give full consideration to the great benefits accruing to our people through the injection of this purchasing power into our system.

Coming back to the matter of getting down to business let me ask this question: What is our problem to-day? Can any person say it is just a matter of getting down to business? Let us draw a brief picture of Canada as we see it to-day. On one side of the picture we have the great productive plants working at only a small percentage of their capacity, great natural resources scarcely touched, tremendous reserves of energy and a vast surplus of unused labour. On the other side of the picture we have a vast multitude of people on the verge of starvation, the majority of them having to accept a standard of living considerably below that which they would ordinarily accept. If it is just a simple business proposition, why do we not put that unused labour to work in the factories or industries which are operating only part time, using our natural resources and our reserves of energy to produce the goods that our people are so sorely in need of? I say this: If it is just a business proposition, why do we not do as I have suggested?

The answer is that the problem is one of economics, or as Professor Soddy has described it, the riddle of the sphinx. A good example of the peculiarities of the problem may be found in a speech by the Right Hon. Reginald McKenna to the American Bankers' Association on October 5, 1922, which reads as follows:

> For over two centuries British capital, that is credit, had been lent to other countries. Year by year England produced more than she either consumed herself or could exchange for the products of other nations, and she could not obtain a market for the surplus unless she gave the purchaser a long credit. Foreign loans and foreign issues were taken up in England, and the proceeds were spent in paying for the surplus production. British factories and workshops were kept in good employment, but it was a condition of their prosperity that a part of their output should be disposed of in this way.

It is significant that, according to Mr. McKenna, England's prosperity was dependent, not upon the amount of wealth she could make available to her people, or upon the amount of wealth she could exchange for the wealth of other nations, but upon her shipping out of the country more wealth than she received in return. And the reason is obvious. It is in order that the salaries, wages and dividends paid out in the production of that wealth might be available to make up the deficiency of purchasing power which existed as between the total prices of goods available for distribution within the country, and the amount of purchasing power distributed in their production.

I would say that undoubtedly the greatest condemnation of the present system lies in the fact that it is considered good business to ship out of the country more wealth than is brought in, even though there are people within the country who are sorely in need of that wealth. While on the question of foreign trade perhaps it would be to our advantage to recall the words of Napoleon who said:

> Agriculture is the soul, the foundation of the kingdom. Industry ministers to the comfort and happiness of the population. Foreign trade is the superabundance, it allows of the due exchange of the surplus of agriculture and industry. Foreign trade, which in its results is infinitely inferior to agriculture, was an object of secondary importance in my mind. Foreign trade ought to be the servant of agriculture and home industry. These last ought never to be subordinate to foreign trade.

I believe that the majority of hon. members will agree with the soundness of that statement. And yet to-day it is not so much a question of exchanging our superabundance for that of other nations, as it is of our attempting to ship more of that superabundance out of the country than we bring back in. Foreign trade can no longer be called the servant of trade and industry; it has become the master demanding from the nation a toll in wealth for which no wealth is given in return.

Agriculture and industry may be said to have two distinct functions—to produce the necessities of life and to give us the means to purchase the same. In addition to that, a profit must be shown, which means that labour costs must be reduced to a minimum in order to meet keen competition. The point is, is it possible to meet these three

requirements? In order to keep down expenses, labour costs must be reduced to the minimum and wherever possible labour saving devices installed, which means that the purchasing power of the people is less able to buy the products of industry.

Undoubtedly we have the ability to produce an abundance of wealth, but there is insufficient purchasing power to absorb same. I think it is greatly to be regretted that in many quarters an attempt is being made to retard progress by going back to out of date methods. Mr. Butler, the director of the International Labour Office, points out in the June Labour Gazette that in many European countries legal restrictions have been placed upon mechanical developments. He points out that similar action has been taken in the United States of America under the various codes. He comments upon this action as follows:

> Such measures may have some temporary result, but technological unemployment cannot be combated by preserving antiquated methods by artificial means. The real problem is to ensure that the economies in wages effected by mechanical improvements do not reduce the volume of available consuming power.

For generations past we have been endeavouring, by the use of scientific inventions, to increase the productivity of man until to-day we have become so successful that we are able to produce an abundance of wealth. Are we going to be so lacking in intelligence as actually to reduce the amount of that wealth by doing away with labour saving devices and going back to the use of manual labour? Is that as far as the intelligence of man can go to-day? According to Mr. Butler, that is what is being done in Europe to a great extent. Canada has followed the same practice to a limited degree. We find in many of the labour camps that men are doing with shovels and wheelbarrows work which could be done far more quickly by modern excavators and steam shovels.

Our main argument rests upon the fact that owing to certain practices inherent within the system, industry fails to provide sufficient purchasing power to buy back its own production. I shall deal with a few of the main faults in the system as we see them. First, the present system is a debt creating one. Practically all new money emanates from our banks in the form of debt. This is an interest bearing debt and our bankers do not issue the necessary money with which to pay that interest. Therefore, the debts of the world to the banking system are increasing steadily year by year. Professor Rautenstrauch of Columbia university has pointed out that the debts of the world to the banks increased by 47 per cent in the seventeenth century, by 466 per cent in the eighteenth century, and by 12,000 per cent in the nineteenth century. In the past, in order to pay off any part of these debts it has been necessary either to incur new debts or to withdraw money from circulation, thus reducing the standard of living of the people.

For example, in the period 1929 to 1933 over $900,000,000 was drawn from circulation, resulting in a tremendous falling off in the standard of living of the people of this country. No matter from what angle we approach this subject we are bound to come to the conclusion that so long as we continue to operate under this system we are bound to have one of two things, either a steadily increasing debt or a steadily decreasing purchasing power. Of course there is a very definite limit to which the purchasing power of a country can be decreased, and then our debts are bound to increase at an even greater rate. I was discussing this matter recently with one of Canada's prominent bankers and he took exception to that statement. He said it was not necessary to incur new debts in order to meet all our maturing obligations; that there was plenty of money in existence and that we could use a certain amount of this in liquidating our debts. I asked him what would be the result on industry if money were taken from circulation and he replied that industry could borrow from the banks the necessary moneys with which to finance its production. That is just what I have pointed out, that such action is bound to be followed by an increase in debt.

The second point to which I wish to direct attention is the tremendous deficiency in purchasing power brought about by the centralization of industry. Before the machine era the profits of the individual craftsman were small, but as such they were available as purchasing power. But there has been a progressive displacing of man power by the machine, and the wages which used to go to the man now go to the owners of the machine. Owing to the centralization of industry, the profits of the machine owners have become so great that even though they explore every avenue of luxury they cannot spend their entire income. Therefore, income to that extent is not available as purchasing power. So long as we have such distressing conditions as we have to-day throughout the country, the government should take definite steps to tax these redundant credits back into circulation. I know it may be suggested that we have already a very high income tax; nevertheless until the government is prepared to issue the necessary purchasing

power to balance deficiency caused by these redundant credits, the least the government can do is to tax them back into circulation. I do not for one moment suggest that such action by itself will relieve the deficiency in purchasing power. It certainly will not, but it will at least relieve to a certain extent the distress so prevalent to-day throughout Canada. An orthodox viewpoint is very often expressed similar to that of Mr. J. A. Hobson in his book entitled Rationalization and Unemployment. I should like to quote from page 17 as follows:

> As the processes of converting raw materials into finished goods whether for human consumption or for utilization in production, are carried on in a business world, money is concurrently distributed to the persons who apply their labour, ability, land, capital in the different productive processes or as profit. These payments proceed pari passu with the productive processes, and, as wages, interest, salaries, rents or profits, constitute the cost or expenses of production, on the one hand, and the "income" of the recipients on the other. If, as I urge, it is convenient to include profit among these expenses, the whole set of payments amounts to selling price.
>
> So regarding it, we may say this selling price has been paid away in the various expenses of production. Those who have received these payments in their money incomes possess the wherewithal to buy all the products, alike the consumable part of it and the capital goods that constitute the other part.

This argument I quite realize sounds plausible, but it altogether ignores certain fundamental truths which completely upset the conclusions arrived at by Mr. Hobson and his colleagues. Among other things it ignores the question of time, savings, and the reinvestment of savings, and as this contention has been attacked in the house in the past I should like to deal with it shortly because our whole philosophy is based to a very large degree on the understanding that industry, owing to certain practices which are inherent in the system, fails to make available sufficient purchasing power to buy back its own production.

Take the question of time. Mr. Hobson states that payments from industry equal total of prices providing you include profits among expenses. If that is the case, how can we possibly pay off debts incurred in the past to the banking system, for instance, war debts. The goods that represent these debts have long since been consumed or destroyed. The salaries and wages paid out in the production of these goods have in the majority of cases been spent and gone back to the banking system, but the debts representing these war materials are still with us and must be met out of current production. If payments by industry to-day are used to pay off these debts then the total payments from industry will not be available to meet total prices, and therefore goods to that extent will be left unsold.

Put it in another way. In order that these debts may be liquidated it will be necessary to include in the price of goods certain debt charges, made either directly or indirectly by the government through taxation. But when these debt charges are included in the price of the goods no purchasing power is distributed to balance these debt charges. Therefore, when the total amount of purchasing power distributed has been spent upon these goods, goods to that extent will be left unsold.

Some people imagine that the repayment of debts to the bank will recreate purchasing power, but as Mr. Reginald McKenna has said, every repayment of a loan cancels and destroys a deposit. Therefore it destroys purchasing power to that amount. Accordingly it is quite evident that the practice of including debt charges in the price of goods completely upsets the calculations arrived at by Mr. Hobson and his orthodox colleagues. So far as savings are concerned, the deficiency of purchasing power caused by them is so evident that I deal with it only very briefly. If, as Mr. Hobson states, the total payments equal total prices, then, when any portion of these payments is saved, goods to that extent will be left unsold. On the other hand, if savings of the past are being spent at the same rate as savings of to-day, then the two will balance each other. Nevertheless it is generally conceded that the practice of saving to-day is going ahead at an accelerated rate, and therefore a deficiency of purchasing power is caused to that degree.

The question of the reinvestment of savings, however, comes under an entirely different category. The reinvestment of savings to-day causes a permanent deficiency of purchasing power, equal to the amount of the reinvestment where it is used as working capital. For instance, taking all industries as one to make it easier to follow, suppose a total of $12,000 paid out for salaries and wages in industry was saved and then was reinvested in a shirt factory, used as working capital, paid out in salaries and wages, producing $12,000 worth of shirts, and then suppose these salaries and wages were immediately afterwards reinvested in a boot factory, paid out again in salaries and wages, which then, instead of being used to purchase the boots, were reinvested in a hat factory producing $12,000 worth of hats. You have reinvested this

$12,000 three times and caused a permanent deficiency of purchasing power equal to $36,000, because you have left behind unsold $12,000 worth of boots, $12,000 worth of shirts and $12,000 worth of goods produced in the first cycle. In support of my argument I should like to quote from a book by Professor Soddy, entitled, Wealth, Virtual Wealth and Debt. At page 251 he says:

> In general terms, the only possible way to increase the stocks of wealth in the system, whether precedent to producing a larger output or to accumulate capital in the first instance, is to by-pass money past the consumers' mart, so that it passes through the productive system twice in its circulation instead of once. This puts into the system twice the value of wealth which it takes out. But it creates debts to the individuals who give up their purchasing power, and, however we struggle with the problem, we have to arrive at the conclusion that these debts can never really be repaid.
>
> It is undeniable postulate that all the wealth put into the system, reckoned in terms of the costs of production, not only does not but cannot come out.

It has been stated that we are opposed to the idea of savings and the reinvestment of savings. We are not, however, opposed to these practices. We merely wish to point out the fact that the practice of saving and reinvestment of savings is bound to cause a deficiency of purchasing power. This resolution, therefore, is aimed to relieve industry of the sole responsibility of creating purchasing power. Industry, as I have already pointed out, fails to distribute sufficient purchasing power to buy back its own production. Therefore we propose that the government shall issue additional purchasing power outside the industrial system in order to balance this deficiency, and as a first step we would urge the necessity for a thorough survey of the productive capacity of Canada. It might be carried out along similar lines to that of the National Survey of Potential Productive Capacity carried out in the United States of America and financed by the federal government there.

I should like to quote from a foreword to the report of the Director of the American Survey by Mr. Stuart Chase:

> Now, with the publication of Mr. Loeb's book, we have for the first time in our economic history a concrete answer to the question. After almost a year of research by sixty technicians, financed by the federal government, the National Survey of Potential Productive Capacity has released its findings. Official publication will follow in due course. Preliminary thereto, Mr. Loeb, the director of the survey, here describes the results and gives his personal interpretation of what the figures mean. The interpretation you may accept or reject as you choose. The figures you cannot reject without subjecting the survey itself to intensive, critical analysis. As

> the policy throughout has been to take the more conservative choice where choice was possible, I think you will have some difficulty in minimizing the conclusions reached. But as a taxpayer you helped to finance this study, and you have the right to whip out your slide rule and find errors if you can. I have watched it from its inception, and it looks like a reliable, conservative piece of work to me.
>
> The results are briefly stated. If the existing plant and man-power in the United States were fully employed in the production of honest goods and services for the consumer, the total output, valued in 1929 dollars, would be not less than $135,000,000,000, or an average per family of approximately $4,400. This estimate does not presuppose any considerable change in the physical plant, the introduction of new processes, or the modernization of old factories.

The wealth of Canada is probably just as great as that of the United States, and there is every reason to believe that in a properly balanced economy a similar standard of living might be made available to the people of Canada. We do not wish to be dogmatic in any way as to how this might be accomplished. We are satisfied however, that full cognizance will have to be taken of the facts to which I have referred. We believe that the government, once having made a survey of the productive capacity of this country, should take immediate steps to stimulate the purchasing power of the people up to the full capacity of industry to satisfy that demand, and then, as the ability of the country to produce more goods increases, to see that the ability of the people to obtain these goods should be increased to a like degree. So long as the effective purchasing power of the people is raised only up to the capacity of industry to satisfy that demand there can be no real talk of inflation.

We believe that the government should take immediate steps to control prices, to set fair wages, that is, to establish a fair relationship between prices and wages as between one industry and another, and to guarantee a minimum price based upon the cost of production for the primary producers. A deficiency of purchasing power may undoubtedly be made up in many ways, but the main essential is to guarantee a minimum standard of living to the people based upon the ability of the country to satisfy that demand. This is where we may differ, perhaps, from our socialist friends on the right. We believe that a survey will show that this dominion can produce a sufficiency of goods to give everybody a decent standard of living, without having to reduce the standard of living of any one. However, should this survey show that we have not that ability, I would immediately agree that it is only right and just that the standards

of living of the rich people should be reduced in order to make it possible for the standards of living of the poor people to be increased. But when we recall the conditions of 1928 and when we remember the tremendous strides made by science since then, we have every reason to believe that we have the ability to raise the standards of living of the people of this country without having to reduce the standard of living of any one.

As a first step we would urge that action be taken to reduce the age for old age pensions, as was suggested in the last session by, I think, the hon. member for Winnipeg North Centre (Mr. Woodsworth) from seventy down to sixty, and probably in time it might be reduced from sixty down to fifty-five, or fifty, guaranteeing a pension of probably $50 per month. Also we should guarantee pensions to all those people who, whether because of blindness or any other form of disability, are unable to care for themselves. Then, in view of the fact that we are living in a new country in which there is a tremendous amount of work to be done, we should urge that national projects be carried out, financed by the national credit and utilizing the minimum amount of labour, that is to say, utilizing labour-saving devices wherever possible. We would advocate projects such as slum clearance with the objective of a decent house for every one; better roads, bridges, railroad crossings; reforestation, and various other useful and necessary projects. Of course we realize that there is a definite limit to the extent to which these projects can be carried out, and we propose only that they be proceeded with to the point where the purchasing power of the people will be stimulated to the full capacity of industry to satisfy it. So long as that is done there can be no real danger of inflation. Or to put it in other words, the volume of capital goods production should be sufficiently great that the salaries, wages and dividends paid out in that production are equal to the deficiency of purchasing power as between the total prices of consumption goods and the amount of effective purchasing power distributed in their production.

In closing, I would urge that first of all a thorough survey of Canada's productive capacity be made, and then a definite program be instituted to increase the effective demand of the people up to this capacity, or to a point where economic security may be gained for all, whichever comes first.

Looking to the future, as science and technological improvements increase the productivity of man, I believe that it will be possible to steadily reduce the hours of labour and supplement the incomes of the workers by a national dividend, so as once and for all to remove that ever-haunting fear of starvation and poverty from the minds of the people.

Motion (Mr. Quelch) negatived.

REDISTRIBUTION

MOTION FOR SPECIAL COMMITTEE TO STUDY MORE EQUITABLE READJUSTMENT OF REPRESENTATION

Mr. H. E. BRUNELLE (Champlain) moved:

That, in the opinion of this house, it is expedient that the Representation Act, 1933, should be amended in such manner as to bring about a more equitable readjustment of the representation in the House of Commons and to effect thereby a more just redistribution of Canada's electoral districts, and that a special committee be appointed to study this matter.

He said: In moving this resolution, which is seconded by the hon. member for Jacques-Cartier (Mr. Mallette), I wish to be as brief as possible. It is also my hope to be as composed as possible when referring to the last Representation Act of 1933, and when giving some instances of the flagrant injustices committed by the late government in making that redistribution.

Every one will admit that in framing a representation act the party in power, whichever it may be, will be naturally inclined to abstain from favouring the opposite party and to adopt the course most favourable to its cause. But to be normally interested and anxious to help a party is one thing, and to be so unreasonably ambitious as to adopt a system utterly subversive of the spirit of representative institutions is quite another.

When one reads the past debates of this house, one is struck by the fact that the Conservative party is a strong believer in the motto that God helps those who help themselves. That belief became particularly apparent when the last redistribution was made. It became manifest in 1882 when a scandalous representation act was passed and it also became evident in 1892 when another representation act was put through, an act which, according to authentic reports, was simply iniquitous. Though the 1933 act was as bad as those just mentioned, I shall be charitable and simply say that it was most unfair. There was then adopted a system which every man on either side of the house should condemn, because it is apt to help or even to elect to this house any party against the will of the majority of the people. Having given some study to what was done in 1933 when the last redistribution took place, I

venture to say that whoever adopts or defends such a method for the sake of party advantage surrenders every semblance of political decency, because such a method aims at destroying popular democratic government and tends to replace it by autocracy.

One may differ with another as to fiscal policies or as to monetary policies, but I am afraid that the act of 1933 went, at least in Quebec, so far beyond the limits of the most elementary justice that it is hard, if not impossible, to find in it any trace of fair play. I do not want to be looked upon as one who fights his own case. The constituency of Champlain, which I represent, was not treated any worse or any better than the other constituencies in the province, and the fingers of the manipulators of the 1933 redistribution have left their ugly mark upon my constituency just as they have done upon other constituencies in the province.

It was a man named Gerry, an ex-governor of the state of Massachusetts, who gave his name to that sort of manipulation. In 1811 he framed his state or constituency or riding —I do not know which—in such a way as to take unfair political advantage of his opponents, thereby becoming famous among those whose names appear in the rogues' gallery. Would it be going too far if I were to say that in 1933 old Gerry had some fair imitators in this House of Commons? To prove that the redistribution of 1933 was unfair and was engendered with a view to party advantage to the late government, I shall quote in a few moments certain statements of the leader of the opposition (Mr. Bennett), who at that time was Prime Minister.

I have before me a map of Quebec showing the sixty-five constituencies which lie therein. I have a good knowledge of French and a fair knowledge of English, and these two languages do not afford me any expression to qualify that sort of work. A chinese puzzle is the only thing to which it can be likened. Such a division of constituencies has no sound justification. We find gerrymander on such a scale that it is hard, if not impossible, to recognize many of the old constituencies. No attention was paid to existing limits. Parishes that had been together for years and years were divided or jumbled into different counties. Some constituencies were added to and others were subtracted from, and parishes, counties and districts were cut up for the manifest purpose of softening the beds which turned out to be the tombs of the Conservative members or Conservative candidates.

[Mr. Brunelle.]

Let me give the house some examples of the way in which the constituencies were framed. I hold up to view a picture showing the limits or boundaries of the constituency of Drummond-Arthabaska, and I show the house another one indicating the limits or boundaries of the constituency of Dorchester. Was I wrong when I said that whoever adopts or defends such a method for party advantage surrenders every semblance of political decency? I believe that if the inventor of this system, Gerry, saw this work, he would turn green with envy at the ingenuity of the members of the late government. The redistribution measure of 1933 was passed in spite of the most vehement protest of the opposition and, I might add, of the press and of the people. It is indeed an unpleasant duty to describe such an act of parliament but I must denounce it as arbitrary and unjust. I claim justice for the majority of the Canadian voters, nothing more and nothing less. It is true that the injustice did not profit the late government; it is true that the end did not justify the means. But the injustice remains; the weapon is still there, and for the sake of preserving our present voting system that weapon must disappear, so that the voice of the people at election time may be heard and that their will shall be unfettered by the ingenious and cunning devices of the late government.

As I have said, the Redistribution Act of 1933 passed amid an uproar of general protest; and the then Prime Minister (Mr. Bennett), when he realized that there was so much opposition to it, said that the only way to pass it was to invoke the aid of the brute majority—a very edifying statement indeed. The act came up for approval at the end of the session. Some Conservative members who had been members of the committee had given the house the impression that the bill would not pass in 1933, but they proceeded with it and in doing so were quite in conformity with the tactics adopted in 1882 and again in 1892. Did the late government try to display any trace of sincerity and fair play in passing that act? The answer will be found in a remark made by the present right hon. leader of the opposition, who was then Prime Minister. In a debate on the imperial agreements the then leader of the opposition, now the Prime Minister (Mr. Mackenzie King), said to the right hon. gentleman:

> I challenge you to go to the country on the issue of those agreements.

This was what the then Prime Minister replied:

> Wait till we pass the Representation Act.

Was that not a warning; was that not a threat that the bill was intended to be used as a weapon against the Liberals at the forthcoming election? The Representation Act of 1933 was admittedly unjust and erroneous. Almost every act following a decennial census since confederation has been amended on the ground of error, and in order to avoid injustice. For instance, the 1914 act was amended in 1915, and the boundaries of the constituencies of Nipissing, London, Quebec East, Quebec West, Jacques-Cartier, Labelle, Hull, Wright, Portage la Prairie and Springfield were altered. This was done by a Conservative government. I claim that the 1933 act was practically all in error, and a great injustice. I do not ask for a new representation act; I know the British North America Act would not permit that to be done, but I do ask that certain wrongs be righted by amending the boundaries of certain counties. An injustice is always an error, and it is the duty of this government to correct all the errors of the late government, since we have been given a mandate by the people to do so.

In 1872 Sir John A. Macdonald laid down the principle that the first object of redistribution was to retain county boundaries. In 1933 in Quebec no attention was paid to that principle. At any rate the act of 1933 in general had practically no raison d'etre in Quebec. The number of our constituencies is set at sixty-five, and surely there was no real need for changing the boundaries of all our counties in 1933. I do not contend that the number of constituencies should be increased or decreased; I know that can be done only following a census, but I think there is authority by which parliament may alter the boundaries of constituencies. Clement on Canadian Constitution says that the electoral districts may be altered at any time, and that the total number of members may be increased by the parliament of Canada providing the proportional representation of the provinces prescribed by the British North America Act is not thereby disturbed.

In conclusion, Mr. Speaker, may I say that the present composition of our constituencies is such that it might shut out of public life some outstanding men whose services are very much needed by the country; it is such that with a minority of the votes the Conservative party might have a majority of the representatives of the people. God help our country then. In the third place, it is such that, in spite of the improvements which this government may bring about in our public affairs, so tragically bungled up by the late government, the wish of the electors to acknowledge such an improvement by their votes may not be accurately expressed during an election. Proud of our record, at the expiration of our term of office we want to meet our opponents in a fair fight. We do not want, and regardless of his party allegiance no one should want, the free vote of the majority of the electors, to be detrimentally affected in its expression by the present arbitrary and false boundaries of our constituencies.

Mr. VITAL MALLETTE (Jacques Cartier) (Translation): Mr. Speaker, at the last redistribution of constituencies considerable changes were made in the territory then comprised in the riding of Jacques Cartier. In my humble opinion, these changes were not all in the best interests of the constituency. However, I do not intend at present to enumerate all the errors committed to its prejudice in this redistribution.

These details I will give to the committee requested by the present resolution, if the house grants it to us.

I may be permitted, however, to mention the case of Lachine. As regards the county of Jacques Cartier, there is no doubt that a redistribution was necessary at the time, inasmuch as the city of Verdun alone had a population of 65,000, which certainly entitled it to a representative in this house. Verdun was therefore removed from that riding, as well as the sections of Montreal known as Côte St. Paul and Ville Emard, regarding which the change was also justified. But as regards the city of Lachine, which historically belongs to the county of Jacques Cartier, the committee acted in a different manner. Lachine has a total population of about 18,000. As a result of the redistribution, some 4,500 of its 9,500 voters were placed in the constituency of Jacques Cartier and about 5,000 in the Mount Royal constituency of the city of Montreal. The redistribution has placed most of Lachine's large industrial plants, such as the Dominion Bridge Company, Limited, the Steel Company of Canada, the Dominion Wire Works, in Mount Royal, while their employees, workers and managers reside in Jacques Cartier. These people therefore have two members at their service, when they should, like the rest of the country, be satisfied with one. During the last campaign this redistribution was referred to as a second "Massacre of Lachine." Some wags went so far as to call it a caesarian operation.

These redistributions were certainly attended by lack of care. Any hon. member who wishes to verify this fact needs but to con-

sult the proceedings of the special committee on Franchise and Election Acts at its sitting of Thursday, March 5, 1936. On page 5 they will find, in paragraph (2), concerning Jacques Cartier and Mount Royal, that the Chief Electoral Officer had to be called to render a decision on the situation of the boundary line between Jacques Cartier and Mount Royal in the village of Côte St. Luc. I have been informed also that a section of the city of Lachine lying south of the Lachine canal had been completely omitted, but that the error had been rectified later.

It therefore gives me much satisfaction to see the hon. member for Champlain (Mr. Brunelle) take up this matter, and I assure the house that he has my entire support. I hope the committee will be made up as impartially as possible, as we have important matters to submit to its consideration. In the constituency of Jacques Cartier, I repeat, errors have been committed which call for rectification, and it would be only right to submit these matters to this committee, if the house will grant it to us.

Mr. HARRY LEADER (Portage la Prairie): Mr. Speaker, I have very little to say on this resolution, but I believe that if irregularities occurred during the last redistribution they should be corrected either this year or next year, and not on the eve of an election when our judgment is perhaps more or less warped. Speaking for the constituency of Portage la Prairie I believe I may state safely that an old fashioned gerrymander was perpetrated. A gouge was taken out of our southern boundary. They did not take a strip from one end to the other, but simply took a gouge out of the centre and placed it in the constituency of the hon. member for Macdonald (Mr. Weir) who, I believe, appreciates it very much. I am not speaking only for myself when I say that the territory should be placed back in the constituency of Portage la Prairie to which it once belonged. I am not concerned about my own political welfare, because in western Canada I do not believe boundaries mean very much. If a man is entitled to return to parliament I believe the electors of western Canada will vote for him irrespective of his political affiliations.

The population of Portage la Prairie constituency is slightly over 25,000, while that of Macdonald is in the neighbourhood of 37,000. Selkirk constituency received part of Portage la Prairie constituency, and now they have a population of 52,000, or more than twice that of my constituency. This would appear to be a glaring irregularity and does not bring about proper representation. I believe that, if the matter were put to a plebiscite, ninety per cent of the electors who were taken out of Portage la Prairie would vote to be placed back in it. I speak particularly of that part which was placed in the constituency of Macdonald, because in that instance there was a division of a community, the interests of which were common. The community was divided, and for the welfare of the constituents, to say nothing of the member in parliament, I suggest that the community as a whole should be placed in the constituency of which it once formed a part. My opinion is that the matter should be placed before an impartial committee, the judgment of which should not be warped politically. It is my opinion that a body of fair-minded members of this chamber should sit in judgment and see that the boundaries are placed where they should be, keeping in mind the welfare of the constituents.

Mr. G. W. McDONALD (Souris): Mr. Speaker, I wish to say only a few words with reference to the constituency of Souris. I endorse everything that has been said by the mover of the resolution and by the other hon. members who have spoken. The constituency of Souris is small, and any change should have been by way of enlargement. Despite that fact, the constituency was made smaller by cutting off from the northeast corner, six townships which, on the basis of the 1930 election, gave a Liberal majority of 187 and on the basis of the 1935 election one of over 300. To the constituency was added four townships to the east, making it six miles longer and taking in a piece of territory dominated by the Cooperative Commonwealth Federation. That was a generous addition, particularly when we remember that the sitting member of that time enjoyed a majority of nearly 500. He was taking away 187 votes, and giving us 24.

Part of the constituency of Souris was put into the constituency of Macdonald, which was Liberal. We thought the days of gerrymandering were over. Like the mover of the resolution, I cannot help thinking that any person whose sense of fair play was so slight could not be a fit or proper person to represent any riding. I protested strenuously at the time to the Liberal members from Manitoba, and was plainly told by them that nothing could be done about it. They said: "We had better accept it, because if we do not we will get a worse deal." Surely we are not going back to those days.

I am not a member of the privileges and elections committee, or of one dealing with

the franchise, but I have been asked to speak on behalf of those people who have been in the constituency for over twenty-five years and are now disfranchised. They had never had the boundaries changed, nor had they sought any change. The change was made without their consent. As I am not a member of the committee I can say only that I hope the constituency of Souris will be brought to its attention, that our boundaries will be enlarged, and that we shall get back the piece we lost.

Mr. DONALD MacLENNAN (Inverness-Richmond): Mr. Speaker, I wish to say a word in support of the motion. In the 1933 revision the counties of Inverness and Richmond were joined to make the present constituency of Inverness-Richmond. This constituency is over 300 miles long. A man would need a good automobile and would have to be a tireless driver to go from one end of the constituency to the other in a single day. On the other hand, the constituency represented by the hon. member for Cape Breton South (Mr. Hartigan) is so small that he can drive from the centre to the end in any direction in one hour and a half. I am not complaining about the number of people who live within a district; all I say is that it is utterly impossible for anyone to look properly after the constituency which I represent. There are more than 300 miles of shore line filled with coves and inlets, and a man would have to spend his entire time and even then would find it impossible to go over the constituency as he should.

I was very glad to hear the hon. member to my immediate right say that the boundaries of a constituency could be changed by parliament without a new census being taken. If that can be done, I think the house should pass this resolution and refer this whole matter to a committee in order that it may be studied. If nothing can be done this year, perhaps the matter may be considered at the next session. In the meantime, we would have an opportunity of looking into these matters and suggesting necessary corrections. I am not finding fault with what has been done nor am I imputing motives, but I must say that it seems almost ridiculous to have such a large constituency territorially as the one which I represent. I therefore have pleasure in supporting the motion.

Hon. H. A. STEWART (Leeds): Mr. Speaker, as chairman of the redistribution committee upon the report of which the redistribution bill was based, I consider it my duty to say something in reply to the hon. gentlemen who have spoken on this resolution. Under our constitution redistribution is made compulsory after the taking of a census. A census was taken in 1931 and redistribution followed.

Redistribution is always a difficult matter. No hon. gentleman who has had anything to do with it will deny that it is an extremely difficult proposition. From time to time there have been differences of opinion as to how redistribution should be made. There are those who contend that it should be made by a committee of judges and there are others who contend that it should be made by the House of Commons. For some time past the practice has been adopted, I think a fair and a reasonable one, of referring the matter of redistribution to a committee upon which all the groups in the house have representation.

After certain censuses it has been found necessary to reduce the number of seats in some of the provinces, while an increase was necessary in others. We are faced with the difficulty of maintaining the balance of representation as between the country and the towns. There are those who contend that the city representation should be much larger than that of the country, but I think that would be a negation of the principle of representation by population. However, there may be some point to that argument because of the concentration of population in the cities as compared with the rural districts. Then we have thickly populated rural districts and thinly populated rural districts. We must also consider the natural barriers such as rivers and lakes. When all these things are taken into consideration they present a difficult and almost baffling problem to any committee undertaking redistribution.

Plenty of time was devoted to the last redistribution. It was not rushed through. It was started in one session and finished in the next. I recall that the bill was, in a very large measure, the result of agreement between the parties.

An hon. MEMBER: Oh, oh.

Mr. STEWART: I am going to mention the exceptions. There was not absolute agreement in Quebec, and the same applied to Saskatchewan. I believe there were two constituencies in Saskatchewan and a number in Quebec in connection with which there was not complete agreement. I remember being a member of the redistribution committee which sat ten years previously. Quebec has a fixed number of seats, sixty-five, and for years there had not been any change in the boundaries of the constituencies of that province. I remember pointing out some of these discrepancies in

1922, but I was told that as there were sixty-five seats in Quebec it really did not make any difference. It was contended that the same boundaries should continue to apply, and they did. The result was that the representation was out of balance, and still is.

Mr. LAPOINTE (Quebec East): It has been made worse.

Mr. STEWART: My hon. friend may think so.

Mr. LAPOINTE (Quebec East): I know it has.

Mr. STEWART: That was not the intention or the disposition of the committee. The hon. member who moved this resolution (Mr. Brunelle) has produced some maps. I can recall maps showing the boundaries brought about by previous redistributions which were just as grotesque and irregular as the ones he has produced. As I have said, there was a very substantial measure of agreement in this committee and when we consider the difficulties of redistribution, I think the final result was quite fair.

We are now in the year 1937, only three years away from another census. There will be a redistribution following that census, and I submit that it is not in the interests of Canada as a whole to reopen this very difficult and controversial question at this time. I am sure that if the question were reopened, any partial redistribution which might result would be subject to the same criticism as has been levelled to-night against the work of the committee of 1933. As the redistribution accomplished in 1933 was to a large extent the result of agreement after long conferences and represented a difficult bit of work—and surely those who are sitting on the opposite side of the house cannot complain of that redistribution so far as they are concerned—considering everything I think the house would be well advised to leave matters as they are. I fear that to reopen the question would not bring any better results.

Mr. W. M. RYAN (Saint John-Albert): Mr. Speaker, I want to congratulate the mover of this resolution (Mr. Brunelle) upon bringing this matter to the attention of the house. I represent the constituency of Saint John-Albert. Prior to the last election that constituency had the honour of returning two members, but when the redistribution took place, Saint John-Albert lost one member, without there being any division of the area. I was surprised to hear the hon. member for Leeds (Mr. Stewart) state a moment ago that there was agreement in the redistribution committee in respect to all the provinces with the exception of Quebec.

Mr. STEWART: And Saskatchewan.

Mr. RYAN: And Saskatchewan. The city of Saint John, the metropolitan city of New Brunswick, which I have the honour to represent, is in the constituency of Saint John-Albert, and the people there felt that the last redistribution was somewhat of a slight to that constituency as it meant a reduction in the number of its members.

Mr. BENNETT: One member had to go.

Mr. RYAN: The right hon. leader of the opposition says that one member had to go, and asks how that could be adjusted. But in Manitoba, apparently, in redistributing the constituencies a division was made of certain territory, and something like that might have been done for New Brunswick. At all events Saint John-Albert was formerly represented by two members, one a minister of the crown, and another a gentleman who had been in public life for a great many years. I take it now, from the explanation which has just been given the house, that those who represented New Brunswick in the last parliament, including possibly the former minister, were agreeable to the proposal that Saint John-Albert should lose one member. If that is so, it is an explanation which we have long been seeking.

With all due respect to the hon. member for Leeds, I do trust, when this matter is brought before the committee for consideration at an early stage, as I hope it will be, that the wrong which was done to so important a constituency as Saint John-Albert will be righted and that it will be accorded the representation which it had heretofore.

Mr. A. A. HEAPS (Winnipeg North): Mr. Speaker, I was a member of the committee of this house a few years ago which was responsible for redistribution. I really cannot see that my friends of the Liberal party have any cause for complaint because I feel sure that if they had made a redistribution to suit themselves they could not have secured better results than they did in the last election.

There was very little friction on the redistribution committee. It is true there was a little behind the scenes, and a number of seats were in dispute in Quebec and Saskatchewan, but I maintain that whatever committee might be appointed by this house to effect a redistribution, if they continued to follow the same methods which we have followed

in this house in the past, the same squabbles would occur as took place in the last redistribution in regard to a few seats. I say that for the simple reason that we have no definite method of creating constituencies. There is no basis of population on which constituencies are created. We have no definite method at all of creating constituencies in the Dominion of Canada, and for that reason we have chaotic conditions in the laying out of constituencies in practically every province.

Manitoba has just been mentioned. I was not satisfied with the way the seats in that province were redistributed. Can any member say why one member from Manitoba should have a seat with a population of approximately 75,000 people, and another seat almost adjoining it should have a population of only 30,000? There is no basis of equity in such a redistribution. There is no reason why one man's vote in one constituency should be more valuable than another man's vote in another constituency. In fact, the whole basis of representation in Canada represents anything but equality.

Prince Edward Island, for instance, returns four members. True, that is fixed by statute, but is there any good reason in equity why Prince Edward Island with a population of about 85,000, no larger than some of the single member constituencies in Canada, should have four seats while a constituency of 85,000 people in an industrial centre should return only one member? That cannot be defended on the basis of equity, and until such time as we have in Canada a definite understanding as to how we are going to redistribute seats we shall always be having some member from his seat in this house saying this is unfair or that is unfair. We all can understand that some hon. member may want to get rid of a little corner of his constituency and pass it on to some other constituency. That is only natural when a member has, perhaps on the boundary of his constituency, a district which has always given him an adverse vote. It is only natural that he should be anxious to get rid of that portion of his constituency.

It has been suggested, Mr. Speaker, that there should be in Canada as there is in other parts of the world, some other body which should be charged with the redistribution of seats, that the task should be taken away entirely from members of parliament and handed over to some permanent body. There is some merit in a suggestion of that kind. The committee that was working last year considering the elections act—

Mr. LAPOINTE (Quebec East): Proportional representation.

Mr. HEAPS: We turned down proportional representation. There was only one member of that committee who tried to get the Liberal party to stand by their promise on proportional representation, and that was my humble self. I know the Liberal party has had proportional representation in its platform, but when the question came before the committee only one member of the whole committee was willing to do justice to that old principle.

Mr. LAPOINTE (Quebec East): I was not there.

Mr. HEAPS: I am sorry the minister was not, but the fact is that the committee turned down proportional representation, and evidently it has gone for some time.

Mr. MacNICOL: And the alternative vote.

Mr. HEAPS: Yes. So we are left with practically the same method of election that we have had for years. I am going to suggest to my hon. friends who are anxious now to have a change in the redistribution that it would be adopting a rather dangerous policy to ask for a change in the redistribution after each election. I fear it would ultimately lead to a gerrymandering of seats, which I object to very much.

From my own particular viewpoint I have no cause for complaint. I have represented the district I now represent in this parliament and on other public bodies for quite a number of years, and if they chop off a little here or a little there it makes no great difference so far as I personally am concerned. But I feel that if we are to have some permanency in the constituencies once they have been distributed, it is a bad policy to reopen the question of redistribution immediately an election has taken place. If there are to be changes in one constituency here and another one there, the whole question is opened up. I for one would like to see redistribution carried out, not from motives of local expediency but on the basis of true equity in all parts of the dominion. I admit that a good case can be made out for the contention that a rural seat should have a smaller population than an industrial centre; I am willing to concede that point. But I am opposed to the idea that in one area a rural seat should have a population of twenty or twenty-five thousand and in another section it should have a population of fifty or sixty thousand. In my opinion that is where the inequality lies.

If it is the intention of the hon. members who have supported this resolution to bring about a more equitable redistribution of population so as to have our seats as nearly equal as possible in all parts of Canada, I would be in favour of the motion. But if, on the other hand, their idea is merely to have a redistribution of two or three of their own particular seats which they think have not been fairly dealt with, I am totally opposed to the motion; and until we get some assurance from my hon. friends as to what is intended by this resolution I could not, for the time being, consent to support it.

On motion of Mr. MacNicol the debate was adjourned.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Friday, January 22, 1937

The house met at three o'clock.

PRINTING OF PARLIAMENT

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

That a message be sent to the Senate to acquaint their honours that this house will unite with them in the formation of a joint committee of both houses on the subject of the printing of parliament, and that the members of the standing committee on printing, viz., Messieurs Barry, Bertrand (Laurier), Casselman, Chevrier, Damude, Davidson, Denis, Douglas, Dussault, Elliott (Kindersley), Esling, Evans, Ferron, Fleming, Fournier (Maisonneuve-Rosemount), Gauthier, Green, Hansell, Hurtubise, Hushion, Jean, Kirk, Lapointe (Matapedia-Matane), Leduc, Lennard, Little, MacInnis, MacKinnon (Edmonton West), MacLean (Prince), McGregor, McIntosh, McKenzie (Lambton-Kent), McNevin (Victoria, Ont.), Marshall, Mills, Moore, Mullins, Mulock, Mutch, Pinard, Purdy, Reid, Ross (St. Paul's), Ross (Middlesex East), Rutherford, St-Père, Taylor (Nanaimo), Thompson, Tucker, Tustin, Veniot, Weir, Wilton and Winkler, will act as members on the part of this house on the said joint committee on the printing of parliament.

Motion agreed to.

LIBRARY OF PARLIAMENT

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

That a message be sent to the Senate to acquaint their honours that this house has appointed the Hon. The Speaker and Messieurs Ahearn, Blackmore, Blair, Blanchette, Bothwell, Bouchard, Bradette, Brasset, Cameron (Hastings South), Cameron (Cape Breton North-Victoria), Campbell, Casselman, Duffus, Emmerson, Fournier, Grant, Green, Hamilton, Hyndman, Johnston (Lake Centre), Kuhl, Lennard, MacInnis, MacKinnon (Edmonton West), MacLennan, MacNeil, Macphail (Miss), Mallette, Martin, Mercier, Moore, Mutch, Parent (Quebec West and South), Parent (Terrebonne), Raymond, Reid, Rennie, Ross (St. Paul's), Ryan, St-Père, Spence, Walsh, Winkler and Young, a committee to assist His Honour the Speaker in the direction of the library of parliament, so far as the interests of the House of Commons are concerned, and to act on behalf of the House of Commons as members of a joint committee of both houses on the library.

Motion agreed to.

PARLIAMENTARY RESTAURANT

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

That a message be sent to the Senate to acquaint their honours that this house has appointed the Honourable the Speaker and Messieurs Barber, Bertrand (Prescott), Fafard, Fraser, Gray, Hill, Howden, Landeryou, MacInnis, MacMillan, Macphail (Miss), McLean (Simcoe East), Moore, O'neill, Purdy, Roberge, Sinclair, Spence, Taylor (Norfolk) and Tustin, a committee to assist His Honour the Speaker in the direction of the restaurant, so far as the interests of the Commons are concerned, and to act as members of a joint committee of both houses on the restaurant.

Motion agreed to.

DAIRY INDUSTRY ACT

Hon. J. G. GARDINER (Minister of Agriculture) moved for leave to introduce Bill No. 8, to amend the Dairy Industry Act.

Some hon. MEMBERS: Explain.

Mr. GARDINER: The proposed measure would not in any way affect the principle of the Dairy Industry Act. It involves three minor amendments, the first of which prevents the placing of foreign matter in milk or cream. Previously the restriction applied only to cream, and it is now intended to include both milk and cream. The second amendment has to do with an amendment which was passed last year. Because of its position in the measure of last year the penalty which applied was much too severe. As a result the section as it was passed last year is being repealed and reenacted under section 3 of the present measure. The last section of the bill refers to a number of items such as storing, packaging, handling and transporting of dairy products, which may be controlled by regulation in the department.

CANADIAN NATIONAL RAILWAYS

REVISION OF ACCOUNTING SET-UP

Hon. C. D. HOWE (Minister of Transport) moved that the house go into committee at the next sitting to consider the following proposed resolution:

That it is expedient to introduce a measure to provide for,

(a) the surrender by the Minister of Finance of certain amounts of the capital stock of the Canadian National and the Canadian Northern railway companies,

(b) the transfer and exchange of certain shares of the capital stock of the said companies,

(c) the abandonment of certain claims against the Canadian National Railway Company,

(d) the adjustment of certain accounts affecting government railways,

(e) the setting up of a securities trust corporation for the purpose of preserving the priority rights of the dominion and its protection against future contingencies in respect to potential interest and other savings, and

(f) generally for revision of the accounting set-up of the Canadian National railway system.

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.

HOME IMPROVEMENT LOANS

PROVISION TO ENCOURAGE REPAIR OF RURAL AND URBAN DWELLINGS

Hon. CHARLES A. DUNNING (Minister of Finance) moved that the house go into committee at the next sitting to consider the following proposed resolution:

That it is expedient to introduce a measure to guarantee approved lending institutions against losses which they may sustain as a result of home improvement loans made by them, to limit the liability of the government of Canada in respect of such guarantees to not exceeding fifteen per centum of the aggregate amount of home improvement loans made by any such approved lending institution and to not exceeding seven million five hundred thousand dollars.

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.

CORONATION OF KING GEORGE VI

INVITATION TO LEADER OF THE OPPOSITION TO BE MEMBER OF CANADIAN DELEGATION

On the orders of the day:

Right Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, before the orders of the day are proceeded with I should like to say that after some little thought I have concluded that it is my duty to make a short statement in view of the debate of Monday last. During the progress of the discussion the right hon. the Prime Minister (Mr. Mackenzie King) was good enough to extend on behalf of the government an invitation to myself to become part of the delegation attending the coronation. Frankly I had some doubt as to whether I should make any public statement, but in view of the gracious manner in which the invitation was extended I desire to express my appreciation, not only of the thought behind the action of the right hon. the Prime Minister and the government but of the very kind and courteous manner in which the Prime Minister expressed the wish of the government in that regard. I am sure he does not expect me at this moment to make any statement as to whether or not it would be possible for me to accept his generous suggestion, but I assure him that I will advise with him. In view of the terms in which the invitation was extended I felt it would be unfair to hon. members of this house if I did not express my very grateful appreciation of the action thus taken.

Some hon. MEMBERS: Hear, hear.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, may I say to my right hon. friend that he must see for himself how pleased hon. members of this house are at his acceptance of the invitation.

Mr. BENNETT: I did not accept it.

Mr. MACKENZIE KING: At his manner of acknowledging the government's invitation. In order to ease my right hon. friend's mind in further considering an acceptance of the invitation, I may say to him that it is the intention of the government, with the approval of hon. members, to ask the leader of the government and the leader of the opposition in the Senate to be guests of the government, and also the Speaker of the House of Commons and the Speaker of the Senate. There will be other representatives of the membership of both houses, some of whom will be selected by the Dominion of Canada branch of the British Empire Parliamentary Association. The government has thought that it would be the wish of hon. members of both houses that those whom I have mentioned should be part of the official parliamentary delegation to attend the coronation ceremonies.

CANADIAN AND BRITISH INSURANCE COMPANIES ACT, 1932

Hon. CHARLES A. DUNNING (Minister of Finance) moved the second reading of Bill No. 3, to amend the Canadian and British Insurance Companies Act, 1932.

He said: Mr. Speaker, the necessity for this amendment arises by reason of the fact that the province of Nova Scotia defines the

Insurance Act in its own legislation as being the insurance act of the Dominion of Canada. The provincial legislation provides also that no insurance company shall carry on in Nova Scotia any part of its business of insurance unless and until it is licensed under the insurance act, which would be the Dominion insurance act. Of course, any other province would have the right to take similar action at any time.

In the present law, as enacted and amended in 1932 and 1934, a proviso was dropped which permitted the treasury board to accept a lower deposit than the minimum set in the act for insurance companies. That proviso applied particularly to provincially incorporated companies doing business only within a single province, and had special reference to the small farmers' mutual fire insurance companies in the province of Nova Scotia.

Mr. BENNETT: And elsewhere.

Mr. DUNNING: In Nova Scotia particularly. That province made necessary the taking out of a dominion licence by any company doing insurance business within its borders. The $50,000 deposit generally required is obviously too large a deposit for such companies. The old provision enabled the treasury board to set an adequate amount. It is proposed to restore the clause which was dropped in 1932 in order to permit the formation of small provincially incorporated farmers' mutual companies.

Motion agreed to, bill read the second time, and the house went into committee thereon, Mr. Sanderson in the chair.

On section 1—Registration of provincial companies.

Mr. BENNETT: There is a difficulty in connection with this matter, the one which brought about the dropping of the proviso. The truth is that the proviso left a tremendous discretion in the hands of the treasury board as to the amount of deposit required, but I think the words " on the report of the superintendent," indicating that his report will determine the amount of the deposit, will overcome that difficulty. The real truth is that some companies felt that the deposits should be practically nothing because they were carrying on a very small business. To give a dominion licence to a company with small capital and which had made a small deposit was not regarded as being in keeping with the general principle of the national insurance act. The difficulty to which the minister has alluded is not an imaginary but a very real one, and as long as he thinks, if he does, and I assume he does, that the safeguard is ample, namely, that the action taken by the treasury board shall be on the report of the superintendent as to the amount that shall be put up—

Mr. DUNNING: And the further qualification a little further on.

Mr. BENNETT: Yes, that is with respect to the amount of the reserve on the business on the 31st day of December next preceding. That would apply whether the company was large or small. It is merely a question of the computation of reserves on the basis provided for by the statute.

Mr. DUNNING: But the deposit shall not be less than the reserve.

Mr. BENNETT: Deposits of all life insurance companies are dependent upon the extent of the reserve under the insurance act.

Mr. DUNNING: But not the full amount.

Mr. BENNETT: No, but they have to put up the deposit called for by the act as their insurance in force increases during the year. If the company increases its risks in force by one million dollars, for instance, it has to increase its deposit with the government. The provision here puts a limit on that, namely, that at no time shall it be less than the amount of the reserve on the business in force in such provincial company on the 31st day of December next preceding, computed according to the insurance act itself. It is probable, therefore, that the difficulty that was apprehended at the time the proviso was dropped was not a very real one, and that no evil results will follow from the adoption of this section.

Mr. DUNNING: I do not want to prolong the discussion, but I would point out that the additional deposit required under this subsection must be not less than the whole reserve required by law. That is, in the case of these small companies, the whole of their reserve on the business in force must be deposited. That, I think my right hon. friend will agree, is an additional precaution against abuse. As I think he knows, in practice it applies generally only to small farmers' mutual companies, which certainly in the province of Nova Scotia and elsewhere have rendered efficient and economical service.

Mr. BENNETT: Yes, and which do not engage in life insurance.

Mr. DUNNING: No.

Section agreed to.

Bill reported, read the third time and passed.

DOMINION FRANCHISE ACT

POSTPONEMENT FOR ONE YEAR OF REVISION OF EXISTING LISTS

Hon. FERNAND RINFRET (Secretary of State) moved the second reading of Bill No. 7, to amend the Dominion Franchise Act.

He said: Mr. Speaker, I merely wish to say that this bill is similar to the one we adopted last year. Its purpose is to further postpone for one year the revision of the existing list. The house discussed a bill for the same purpose last session, and I then explained that there were two reasons for doing what we are proposing to do again this year. In the first place a new electoral act is contemplated, and notice of motion has been given by the Minister of Justice (Mr. Lapointe) to revive the committee on elections which sat last year, to consider a new electoral act. In the second place, there is a considerable saving to be effected by postponing the revision. Although I am not in a position to give the exact figures, because it all depends upon the number of names entered on the list, the revision is likely to cost over a quarter of a million dollars for the year, and the printing of the list, if such printing were done, would add considerably to that amount. On the other hand, to prepare a list only for by-elections involves a very small cost. Last year we had three by-elections, and the preparation of the lists cost in the county of Wright, $2,589.22; in the county of Gloucester, $3,004.64, and in Ottawa East, an urban constituency, $7,606.02, or a total for the year of $13,199.88. That is all we had to expend for preparing the lists.

I would remind the house that at the express desire of hon. gentlemen opposite, and I think it was a very proper stand to take, we adopted last year amendments to the Dominion Elections Act and the Dominion Franchise Act. These amendments, of course, are still in force, and will apply during the course of the year. I commend this bill to the house.

Motion agreed to, bill read the second time, considered in committee, reported, read the third time and passed.

WEIGHTS AND MEASURES ACT

Hon. NORMAN McL. ROGERS (Acting Minister of Trade and Commerce) moved the second reading of Bill No. 4, to amend the Weights and Measures Act.

He said: When this bill was before the house on the first reading I gave a brief explanation of its purpose. The proposed amendment is intended to correct an anomaly in legal procedure in the administration of the Weights and Measures Act. Section 82 of the act provides that proceedings shall be taken before any justice of the peace, but if the penalty exceeds fifty dollars the case must be heard by two justices of the peace. Subsection 2 of the section provides that the provisions of the criminal code relating to summary convictions shall apply to all proceedings, subject to the provisions of this act. In 1935, by chapter 48, 25-26 George V, several amendments were made to the Weights and Measures Act by which penalties for offences in several cases were greatly increased. For instance, the money fine for the use of an unjust scale by a corporation was increased to $100, and due to a phrase in subsection 2, which I read a moment ago, namely "subject to the provisions of this act," the question was raised in a prosecution against a corporation whether or not a stipendiary or police magistrate had jurisdiction to hear these offences where the money penalty was $100, although in all provincial offences and practically all offences against federal statutes a stipendiary magistrate has the same authority as two justices of the peace. Under the criminal code, by the interpretation section, a stipendiary or police magistrate has the same authority as two justices of the peace. The amendment proposed, as I have just explained, is a matter of legal procedure and is designed to attach to the Weights and Measures Act the exact words of the interpretation section of the criminal code.

Motion agreed to, bill read the second time, considered in committee, reported, read the third time and passed.

MILITIA PENSION ACT

Hon. IAN MACKENZIE (Minister of National Defence) moved the second reading of Bill No. 5, to amend the Militia Pension Act.

Motion agreed to, bill read the second time, and the house went into committee thereon, Mr. Sanderson in the chair.

Section 1 agreed to.

On section 2—Time of payment of pensions and compassionate allowances.

Mr. BENNETT: There is only one question I was going to ask the minister when I read this bill. At the end of section 41 there appear these words:

> . . . and unless otherwise specified by this act shall continue during the lifetime of the recipient.

Such words do not appear in the section which is replaced by this section. Does any significance at all attach to these words?

Mr. MACKENZIE (Vancouver): I think so. They refer to remarriage, forfeiture on conviction of certain offences, and the like.

Mr. CAHAN: Well, what is the meaning of the words "in arrear"?

Mr. MACKENZIE (Vancouver): That is monthly after the pension is due and owing. It is the phrase agreed upon by the Department of Justice and the officers of this department.

Mr. STEWART: It is the opposite of "monthly in advance," I assume?

Mr. MACKENZIE (Vancouver): Yes.

Mr. STEWART: I assume that under this act the pension would stop at the date of death of the pensioner.

Mr. MACKENZIE (Vancouver): Yes, either at death or remarriage.

Mr. STEWART: But under the act as it was before this amendment the pension was payable in advance for the whole year?

Mr. MACKENZIE (Vancouver): Yes.

Mr. STEWART: And in case of death was there any refund?

Mr. MACKENZIE (Vancouver): No; that is the point. There was no statutory provision for refund in case of death or remarriage.

Mr. STEWART: And under this act the pension will stop at the date of death?

Mr. MACKENZIE (Vancouver): Yes.

Section agreed to.

Bill reported, read the third time and passed.

HARBOURS AND PIERS ACT

Hon. C. D. HOWE (Minister of Transport) moved that the house go into committee to consider the following proposed resolution:

That it is expedient to introduce a measure to amend the Government Harbours and Piers Act to substitute the Minister of Transport for the Minister of Marine and Fisheries; to except from the operation of the act harbours under the management of the National Harbours Board; to confer on the minister power of appointment of officers, clerks and employees; to deal with the collection and disposition of tolls and dues and to charge certain expenses against such tolls and dues.

Motion agreed to and the house went into committee, Mr. Sanderson in the chair.

Mr. HOWE: The bill contemplated by this resolution contains a number of small amendments designed to bring the Harbours and Piers Act into conformity with the practice of the department. It is now the practice of the department to deduct from the fees collected at the various ports a percentage, that is, to pay out of the fees collected at the wharf the fees of the wharfinger and such expenses for lighting and other services as may be required at the point.

Mr. BENNETT: In some cases they take them all.

Mr. HOWE: Yes; it is a percentage. That has been the practice since 1931, but it is irregular under the Consolidated Revenue and Audit Act, which requires that all fees shall be returned to the receiver general. Another amendment has to do with the appointment of wharfingers. Since 1922, under the amendment to the Civil Service Act, they have been appointed by the minister. Before that the appointment was made by the civil service commission and prior to that by the governor in council. This measure provides that the appointment shall be by the minister as at present. The amendments are all of that type, minor things, and none of them contemplate any new practice on the part of the department.

Mr. BENNETT: Will this constitute an added personnel?

Mr. HOWE: No, no added personnel. The purpose is purely to prevent the conduct of affairs, in certain minor particulars, in an illegal manner.

Mr. CAHAN: Do I understand that the clause "to confer on the minister power of appointment of officers, clerks and employees" refers to the appointment of wharfingers only? What other classes of officers, clerks and employees are to be appointed by the minister at his own option?

Mr. HOWE: The only appointees covered by the Government Harbours and Piers Act are wharfingers and, in some instances, their assistants. There is for instance a wharf at Port Alberni where there is mechanical equipment for loading lumber, and assistants are appointed there. This covers the administration of some 950 small wharves throughout the dominion. The great difficulty in connection with appointments is not the selecting of appointees but the finding of men willing to take the job. The fees are entirely fees of office; that is to say, the wharfinger must collect revenue at the dock before he can be paid, and then he receives fees on a certain scale established in 1931. There is no provision for the payment of any wharfinger apart from the fees of office. This

practice is not new in my regime; I assume it has been worked out over the years as the practical way of handling this vast number of small transactions.

Mr. WOODSWORTH: I should like to know exactly what are the duties of a wharfinger. I have received a good deal of complaint in regard to one or two small docks on the west coast. There are certain places where boats call only occasionally and where there is a wharfinger, but he does not seem to have anything to do; whereas there are adjoining wharves where there are no wharfingers, although a large number of boats call and a considerable number of passengers are taken on and off. I wish to know, first, what the wharfinger's duties are and, second, why it is that these fees are charged at certain points and not at others.

Mr. HOWE: Wharves built by the Public Works department are upon completion turned over to the Transport department for administration. The Government Harbours and Piers Act authorizes the governor in council to establish a fixed range of fees which are set out in the act and which shall be charged for the use of government property. As I say, there are about 950 of these docks, and we are able to get wharfingers to act only at about 400; in other places the business as prescribed by the act is not sufficient to provide a remuneration adequate enough to attract anyone to assume the duties of wharfinger. In some few instances the fees are considerable. There are docks where the revenue runs up to $12,000 or $15,000 a year, but there are only six of these. The total net revenue of the dominion for all docks amounts to between $90,000 and $100,000 per annum.

Mr. BENNETT: Outside the harbour commission proper.

Mr. HOWE: Yes; these are purely small docks. It is the duty of the department under this act to administer them in a definite manner as set out in the act and we do our very best to discharge that duty.

Mr. WOODSWORTH: Perhaps I have not made my point clear. I am thinking of some very small points. What actually is the duty of the wharfinger at such a place? I have had complaints that he does nothing, but collects a fee, whereas at an adjoining point two or three miles along the coast there is another dock where large boats call and there is no wharfinger and no fee collected. Settlers feel that it is a hardship to pay this fee for landing when the man who is standing around does no work for it, and if they go a few miles further down they can land without paying any fee.

Mr. HOWE: The duty of the wharfinger is to collect revenues for the government. Unfortunately these docks have not always been built as a result of any careful analysis of business returns, but they have been handed over to us and we have done our best to find wharfingers for all the docks. It is our duty under the act to appoint a wharfinger to every government dock, but there is a wise provision in the act that they can be paid only from fees of office. There are docks at points where the fees of office are not sufficient to induce anyone to accept the position and in that case we are quite helpless. Where we do appoint a wharfinger his duty is to collect revenue and he retains a portion of it—perhaps all of the first collections—and a portion of the larger collections for his services in looking after the dock and attending to traffic. If there is a light on the dock he tends the light; and he reports to the department the condition of the dock and the business over the dock. In some instances it is an exceedingly small business, amounting to $5 or $10 a year, while in other cases, as I have said, it is as high as $12,000 or $15,000 a year.

Mr. WOODSWORTH: Where are most passengers landed at Gibsons Landing or at Roberts Creek? Why is it that at Roberts Creek there is a wharfinger and at Gibsons Landing there is not?

Mr. HOWE: I have not in my mind the details in connection with all those docks. I suppose that in one case we have found a man who will accept the position and in the other we have not.

Mr. WOODSWORTH: Can we have that information when the bill is before us?

Mr. HOWE: Yes.

Mr. WOODSWORTH: I give that example because it seems to me that the minister's statement is quite contrary to the actual practice as it has been represented to me.

Mr. HOWE: I can assure the hon. gentleman that letters go out from our office every day asking men to accept these jobs.

Mr. WOODSWORTH: One other question. If at one time these appointments were made by the civil service commission why should not that practice continue?

Mr. HOWE: For the reason that though the civil service commission might advertise for wharfingers as much as they liked, unless they were a good deal more successful than we, they would get no applications. We have to beg people to take these jobs. There are only five docks in the dominion in connection

with which applications have been received; everywhere else we are constantly asking members of parliament or our agents to help us find wharfingers. This is not a case of the man seeking the job.

Mr. STEWART: Is there any established scale of fees or charges or is it a matter of the individual wharf?

Mr. HOWE: The scale of fees is definitely established by governor in council.

Mr. GREEN: Will this act apply to harbours such as New Westminster and Sorel, which are not under the National Harbours Board?

Mr. HOWE: It does not apply to a harbour where a harbour authority is set up. It does not apply to New Westminster; it does apply to Sorel.

Mr. MacNEIL: Will the minister explain whether in all instances steamships docking are charged side wharfage fees?

Mr. HOWE: Yes, that is the basis of the charges for steamships at these docks. There is no charge for fishermen and similar traffic. All the wharfage collected at these docks is side and top wharfage.

Resolution reported, read the second time and concurred in. Mr. Howe thereupon moved for leave to introduce Bill No. 9, to amend the Government Harbours and Piers Act.

Motion agreed to and bill read the first time.

SUPPLY

The house in committee of supply, Mr. Sanderson in the chair.

DEPARTMENT OF AGRICULTURE

Seed, feed and fertilizer control, including grants to seed fairs, etc., also grant of $18,900 to Canadian Seed Growers' Association, $422,000.

Mr. PELLETIER: What is the explanation of the increase?

Hon. J. G. GARDINER (Minister of Agriculture): There is an increase of $14,800. The explanation is to be found first in grants, subsidies and contributions, increased $9,071; to extend forage crops, seed distribution in the prairie provinces and provide more adequately for emergency services which frequently are necessary because of frost damage or loss of crop. Then equipment and maintenance is increased $3,161 to provide equipment for the new district office and laboratory at Vancouver. Up to this year Alberta and British Columbia have together constituted one seed branch district, but this year it is divided into two and a new office opened at Vancouver. Personal services: increase, $1,198, to provide for statutory increases and the longer employment of seasonal seed analysts because of the increasing volume of seed testing. Rents are increased $300 to provide for the rental of a sub-district office at Charlottetown, Prince Edward Island, where an office was formerly supplied free by the Island Seed Association. Transportation of persons has increased $1,070 to provide for additional expenses owing to increased inspection services necessary in British Columbia. Those items make the total of $14,800.

Mr. SENN: Before we proceed any further with these agriculture estimates would the minister make a statement as to the agreement arrived at between the provincial ministers of agriculture and himself at a conference which I believe was held late last year? If we are to discuss these items usefully we should know whether the activities of the federal Department of Agriculture are to be increased or curtailed. I do not know whether the minister would desire to deal with them one by one as we come to the different items or whether he would prefer to make a general statement. I think we should know what changes are proposed in the activities of the different branches of the department.

Mr. GARDINER: I had expected some time during the session, and I am prepared to do it to-morrow or at any time, to place on the table of the house the full report of the conference that took place between the provincial ministers of agriculture and myself a few weeks ago. That conference was the result of discussions which took place a year ago last December when the dominion-provincial conference was held in Ottawa. At that time we discussed very fully the matter of overlapping; it took I think about one and a half days to discuss it. After going into the details in connection with the activities of the different branches of the federal department and of the provincial departments the conclusion was that there was not any serious overlapping. There are of course inspectors of the department at Ottawa who are making inspections in connection with say the grading of dairy products, and there may be inspectors in some provinces doing the same thing. But the reason for the two sets of inspectors relates largely to the constitutional aspect, which requires the setting up of different

administrations owing to the fact that civil rights are under the control of the provinces, while interprovincial and international trade is under the control of the federal authority. When certain products are exported from Canada, or moved from one province to another, we must inspect. If we go inside the province to inspect products which are produced and sold within the province we may run into constitutional difficulties. Legislation which did not take these facts fully into account has been upset in the courts. The only practical way we have found of overcoming difficulties of that kind is to have federal legislation governing inspection say of dairy products within a province, covered by similar provincial legislation, and have the provinces appoint our officials to do the same work. The same officials would be doing the work in connection with international and interprovincial trade.

We have been able to avoid a great deal of overlapping in this way. As I have said, we discussed the matter fully a year ago and as a result of a resolution passed having to do with marketing, the conference was called this year. According to the agenda presented to the conference the only subjects dealt with were matters having to do with marketing. The question of overlapping was not discussed. I assume it was considered that it had been fully discussed at the previous conference. While as chairman at the conclusion of our deliberations I threw the meeting open for full discussion, the matter now raised did not come up.

Mr. SENN: I mentioned overlapping because newspaper reports carried the suggestion that it had been discussed. The minister has explained that by concurrent legislation or by the provinces appointing men who are really federal inspectors and graders to do their work they have been able to overcome some of the constitutional difficulties. There are many graders and inspectors grading seed for the seed branch. Have any of the inspectors been appointed by a province, and if so is such province paying any proportion of the salary?

Mr. GARDINER: Probably the best way to answer the question would be to say that the constitutional difficulties which arise in connection with some matter does not necessarily arise in connection with seed. This vote is for the administration of the Seeds Act, the Feeding Stuffs Act, the Fertilizers Act, the Agricultural Pests Control Act, the Inspection and Sale Act and the Hay and Straw Inspection Act, all of which regulate the quality and control the sale of seeds, feeds, fertilizers, binder twine and hay and straw in Canada. The provinces do take certain action in connection with seed, but I do not think there is any overlapping in connection with the matters of which I have been speaking.

Mr. SENN: I do not believe the minister has fully answered my question. After all, seed is sold within the provinces; so is hay, fertilizers and every other item he has mentioned. How is it possible for inspectors to enforce their grades and, if necessary, to take civil action within the province in connection with purely provincial trade? Further, the minister has not stated whether the provinces bear any proportion of the cost of inspection.

Mr. GARDINER: No, the provinces do not bear any proportion of the cost to cover the activity of which I speak. There would be some difficulty in our entering the provinces and enforcing grades, where the action of our department was contested. There would be difficulty if the transaction were entirely within the province.

Mr. SENN: I know that inspectors go around to the different seed stores in my constituency, and all through the province of Ontario. If the seed is not up to sample, and if we are selling seed which is not in accordance with the provisions of the act, action is taken. It seems to me that up to the present time they have been successful in carrying appeals to the courts, and fines have been imposed.

Mr. GARDINER: I believe the Seeds Act does make possible the doing of things such as the hon. member has mentioned. Perhaps ninety-nine and probably one hundred per cent of our people realize that this practice has to be carried out, and there has been no contestation of the point. Something might happen, if the matter were taken to a court—I am not in a position to say that, but so far they have agreed to conform to the terms of the act, and to carry on accordingly.

Mr. SENN: Would the minister give us some idea of the conclusions which were arrived at last year by the advisory council? I believe they met during the summer and made certain changes in the regulations in connection with the grading of seed. Can the minister tell us what changes were made?

Mr. GARDINER: All the action taken by the department arising as a result of the recommendations are embodied in amendments to the Seeds Act which I shall bring down in a few days. They are quite extensive,

and cover almost the whole line of activities under the Seeds Act. Those will be brought before the house for discussion when the bill is presented.

Mr. BEAUBIER: The Manitoba seed fair is usually held in conjunction with the winter fair at Brandon, but last year it was held in Winnipeg on the premises of the T. Eaton Company. I should like to know why it was moved from Brandon to Winnipeg.

Mr. GARDINER: I am informed it is a provincial fair, and we have nothing to do with the location of it. We do give a small grant to it. I am not in a position to give a reason for the change.

Mr. PERLEY (Qu'Appelle): What proportion of the grant is to be given to seed fairs, and how many seed fairs have we in western Canada?

Mr. GARDINER: The total amount for grants, subsidies and contributions is $84,900, but I have not before me the detailed amounts. However, if the hon. member wishes, I shall bring down the information.

Mr. PERLEY (Qu'Appelle): What are the requirements for a grant to a seed fair? What must the fair board do?

Mr. GARDINER: I believe the same question was asked a year ago, and at that time I placed on Hansard the information which is now in my hands. Perhaps the quickest way to give hon. members the required information would be to read it:

With a view to assisting provincial departments of agriculture in promoting the production, conditioning and distribution of superior seeds and fertilizers, subventions are made available and payable from the parliamentary vote for the seed branch in amounts and for the purposes as follow:

Total subventions available to a province

1. The total subvention available to a province within the dominion fiscal year shall not exceed the sum of twelve hundred dollars unless more than one million acres are under cultivation in field crops within the province, in which case the subvention may be increased pro rata twelve hundred dollars for each additional million acres under cultivation as reported by the Dominion Bureau of Statistics for the previous year, provided that the total subvention shall not exceed twelve hundred dollars pro rata per hundred thousand of total population as shown by the latest available federal census return.

2. These subventions shall be for the purposes and in the amounts hereinafter specified, but shall not exceed one-half the total amounts paid as cash prizes or grants by the provincial departments of agriculture.

[Mr. Gardiner.]

3. $50 for seed crop competition.

Seed crop competitions have been discontinued in most of the provinces. As a seed improvement agency they are believed to be less effective than the combined seed crop and cleaned seed competition. Subventions shall not exceed $50 for each seed crop competition, the total not to exceed twenty-five per cent of the amount available to a province.

4. $200 for a combined seed crop and seed competition.

Each combined seed crop and seed competition in which the seed used must be a registered grade or grade No. 1 certified as to purity of variety, trueness to type or freedom from noxious weeds, shall be eligible for a subvention of $200.

5. $50 for a local seed fair.

Local seed fairs continue to be serviceable in a few localities and may participate in these subventions to an amount not exceeding $50 for each such seed fair.

6. $250 for district seed fairs.

District seed fairs are organized in some provinces to meet the needs of groups of counties where local seed fairs are not held, the larger fair being held at different points within the district during successive years. Subventions not exceeding $250 may be paid on account of each such district seed fair.

7. $600 for a provincial seed exhibition.

Subventions on account of each provincial seed exhibition shall not exceed $600.

8. $600 for seed cleaning machines.

The results of seed drill surveys and other investigations make clear the need for more efficient cleaning and grading of seed. This purpose may be served to best advantage by well equipped cleaning plants that may be conveniently available to farmers at reasonable charges. The total cost of efficient cleaning machines of medium capacity, for itinerant seed cleaners, not including power equipment, warehouse facilities or motor trucks should not exceed the sum of $1,200. Subventions amounting to not more than one-half the cost of such machines, but not exceeding $600 towards seed cleaning machinery at any centre, may be paid, provided that the control of the service and the charges for the use of these machines, is subject to the approval of the minister of agriculture for the province, for a period of seven years from the date of purchase.

9. $300 for machines to grind limestone or mix fertilizer.

In several important farming districts the character of the soils and of the production therefrom indicate that the use of agricultural lime and of fertilizer is of paramount importance. The cost to the farmers for lime and fertilizers may be substantially reduced if the necessary appliances for the grinding of limestone and the proper grinding and mixing of fertilizer materials are made available to organizations of farmers at convenient centres. Subventions amounting to not more than one-half the cost of such machines, but not exceeding $300, towards a machine at any centre, may be paid provided that the control of the service and the charges for the use of these machines, is subject to the approval of the minister of agriculture for the province, for a period of seven years from the date of purchase.

10. 50 cents per ton for agricultural lime freight charges.

Because there is an absence of suitable limestone in some districts where agricultural lime is needed, subventions not exceeding fifty cents per ton may be paid to cover not more than one-third of the railway freight charges on agricultural limestone provided that the minister of agriculture for the province contributes an equal amount for the same purpose.

11. The minister of agriculture for the province may utilize the total subvention for any or all of the purposes mentioned, except as provided in section three.

12. Subvention accounts should be submitted to the seed commissioner, Ottawa, through the office of the seed branch district inspector for the district in which the subvention was earned, by the minister of agriculture for the province, or his authorized representative, before the end of March each year.

These are the regulations setting forth the purposes of grants made under this particular vote.

Mr. PERLEY (Qu'Appelle): How many cleaning machines are in operation in Saskatchewan, and how many receive grants?

Mr. GARDINER: I am not in a position at the moment to give the number of machines in use in the different provinces.

Mr. PERLEY (Qu'Appelle): I understand that quite a number go round the country.

Mr. GARDINER: I have not that information available at the moment, but I can bring it down later if required.

Mr. PERLEY (Qu'Appelle): How many local seed fairs receive grants in Saskatchewan?

Mr. GARDINER: There are 160 and some odd agricultural societies, of which about half have seed fairs. I cannot give my hon. friend the exact number that receive grants.

Mr. SENN: Must a fair be a seed fair only before it is entitled to a grant? Is the subvention paid to a fall fair at which seeds are shown?

Mr. GARDINER: If a fall fair operates a seed fair the grant is made in connection with the seed fair.

Mr. SENN: Is the lime upon which the freight is paid purchased in Canada only? Where do the machines for grinding the lime come from? Are they all purchased in Canada or are some purchased in other countries?

Mr. GARDINER: I am not certain that it is compulsory that the lime should be Canadian lime, but it happens that it is. I am not in a position to state definitely that all the machines used are of Canadian manufacture. There would probably be some doubt about that.

Mr. LENNARD: Does the minister consider it fair to the other seed merchants in the Winnipeg district to have a seed fair held on the premises of the T. Eaton Company Limited, which company is in the seed business?

Mr. GARDINER: I would not care to express an opinion with regard to action taken by the provincial government.

Mr. GRAYDON: Does this item cover subventions to seed fairs throughout Canada?

Mr. GARDINER: In so far as they are seed fairs. The subventions are paid in connection with seed fairs of all kinds.

Mr. GRAYDON: Can the minister inform the committee as to the number of junior farmer seed competitions held in Ontario last year?

Mr. GARDINER: Those are carried out under the auspices of the province. We have no detailed information.

Mr. GRAYDON: How much was disbursed by the federal authorities for these competitions in Ontario?

Mr. GARDINER: I have not that information available, but I could get it.

Mr. SENN: I have heard the Prime Minister state on different occasions that no money should be voted by this house when its expenditure was to be under the control of a province, but the minister now states that he has no information to give us because these competitions are conducted by the provinces. In other words, the money is expended by the provinces and voted without any information being given. Does the minister think that that is in accordance with the settled policy of the administration?

Mr. GARDINER: With regard to certain expenditures there have been statements made similar to that referred to by the hon. member, but in this case the practice is one which has been carried on for many years, not only in this department but in other departments of the government. It is true that the administration of these fairs is controlled by the provincial governments, but we have made full inquiry into and full inspection of all the different activities. We have satisfied ourselves that the money is being properly spent and for a good purpose, and it is only when we are so satisfied that payments are made.

Mr. SENN: The minister gave the whole amount spent. Would he state what proportion of the vote was expended under provincial inspection and management last year?

Mr. GARDINER: In every case where we contribute it is a fifty-fifty arrangement.

Mr. PERLEY (Qu'Appelle): What was the amount granted to the Manitoba seed fair which was held on the premises of the T. Eaton Company in Winnipeg?

Mr. GARDINER: The maximum amount they could get would come under the provincial seed exhibition, and is $600. They do not all get $600; it depends upon whether they earn it or not. I am not certain that we have this particular account in, but probably we could get the information in the office. The outside amount would be $600.

Mr. PERLEY (Qu'Appelle): Did the department have any advice as to the change from Brandon to Winnipeg before the grant was made?

Mr. GARDINER: I am informed that we received no advice at all, that the change was made by the province without consulting us.

Mr. FAIR: I should like to bring to the attention of the committee one of the clauses of the Seed Grain Act in reference to seed grain shipped from one province to another. Under the provisions of the act the shipper of grain is bound to abide by the decision of the dominion grain inspector. If a car of grain—I have in mind at the moment a carload of oats—is found not to agree with the sample submitted to the seed branch at any point of inspection, the shipper of the grain has no right whatever under the act to have the grain resampled and inspected. The decision of the seed branch is final. Now it is quite possible for samples to get mixed at the point where they are being tested, and as the shipper has no appeal he is at a great disadvantage. I should like to see the act amended so that a retest could be made on another sample drawn from the grain that is in dispute.

Mr. GARDINER: As I said a few moments ago, it is our intention to have the act before the house very shortly for amendment, and this matter could be discussed at that time. Wherever application is made for resampling, the department, I am informed, does resample. It is not the practice to insist that only one sample shall be taken and that no resampling shall be done. Wherever application is made, resampling is done.

[Mr. Gardiner.]

Mr. FAIR: I should like to have had this information a few years ago. Under the act as it was at that time there was no chance to have the grain resampled. The decision of the seed branch was final, and I know that great injustice was done at that time to the producer of some pretty good seed grain. If the act is being amended I hope it will be amended in that respect.

Mr. GARDINER: I do not think that that particular amendment is coming up, but the matter could be discussed when the act is before us, because of course the whole act will be up for consideration once the bill is in the house. What I want to say now is that while the act does provide that the decision of the seed branch shall be final—because there has to be some finality in matters of that kind; somebody has to have the final say—yet in practice I am informed that the branch does resample where there is any dispute with regard to the sample that has already been taken. They may resample, and after that, of course, the decision of the seed branch must be final.

Mr. FAIR: I quite agree that their decision should be final at some stage, but I do not believe it is commonly understood that the act as it stands allows resampling, and I think resampling should be allowed.

Mr. COLDWELL: May I ask the minister what is included under the term "fertilizer control"? Does this apply only to lime? And further, what amount of this appropriation is going to be used for fertilizer control?

Mr. GARDINER: I understand that there are five provinces, the maritime provinces, Quebec and British Columbia, which have used lime. The other provinces, I understand, have not used lime. The subventions go to the province, and it is the province that determines the amount that shall be used for fertilizer purposes. The subvention is divided among seed, fertilizer and other activities by the province, under an agreement with the federal government.

Mr. COLDWELL: My question was really framed because of my reading of the report on the soil survey made by the university of Saskatchewan but under the auspices of the department, and I was wondering if this vote had anything to do with the provision of fertilizers for lands that have been found to be deficient in certain parts of Canada. Is that under consideration in any way by the department, and if so, could we have any idea as to what is being done?

Mr. GARDINER: I assume my hon. friend has in mind the soil survey in Saskatchewan?

Mr. COLDWELL: That is right.

Mr. GARDINER: That soil survey was started I think about 1926. It is not a survey that was started by the federal department. At that time there were overages which had resulted from the operation of the wheat board during war time, and these overages were disposed of in this way: a certain percentage was returned to Saskatchewan, a certain percentage to Manitoba, and a certain percentage to Alberta, the three provinces from which the greater part of the grain came. In Saskatchewan, if I remember rightly, the amount returned was about a quarter of a million dollars, something over $200,000. That money was set up in a fund, and during the last ten years only the interest from that fund has been spent for the purpose of making a soil survey. The capital amount of the fund is still intact, but the interest derived from the fund has been used for this purpose. The dominion government and the university of Saskatchewan have cooperated in the making of that soil survey, and to-day all the settled sections of the province from one end to the other have been mapped and you can read on that map almost the exact quality of the soil from one end of the province to the other. The last check-up which I made was at the time of the conference we held a few weeks ago, and they are now going to show the amount of moisture that falls in these sections as well as the soil conditions. They are working out now the productivity of the soil, basing their decisions somewhat upon the moisture as well as upon the nature of the soil itself. From those maps the provincial department of agriculture, with our own department here, are at the moment trying to work out some scheme of rehabilitating, if I might use that term, the drought areas of Saskatchewan. In the present estimates there is no amount for the handling of that problem, but I expect later on in the session to bring down certain special supplementaries to provide some funds for carrying on activities in connection with rehabilitation. While the developments have not extended so far in respect of the drought areas of Alberta and Manitoba as they have in respect of the drought area of Saskatchewan, they have nevertheless gone a considerable distance, and the same activities that are carried on in Saskatchewan will be pursued in the other two provinces as well.

Mr. COLDWELL: In view of what the minister has said I am not going to follow up the matter further now. I am very glad to have that statement, and later in the session we shall have an opportunity of getting some more information.

Mr. SENN: One of the most important activities of the branch, and one that I think is too little used, is the field inspection of seed crops for registration. Perhaps the minister can tell the committee what regulations are in force in regard to that inspection, how much money is used for the work, and the location of the areas where fields are inspected for seed purposes.

Mr. GARDINER: I am sorry that in the statement I have before me the information is not divided up as the hon. member has asked for it. Part of the service is provided for in the first item, "communication services," at a cost of $2,500; part of it in personal services, which is to provide largely for inspections, $215,000; and part of it in transportation of persons, $52,148. These amounts cover the other item, but some other costs are included as well as the matter of personal inspection.

Mr. SENN: I was trying to get a statement from the minister as to the regulations and what is necessary before a field can be registered in this way. It seems to me that the public are not acquainted with this service, and they might very well know more about it. If the minister would make a statement as to what is necessary and as to the usefulness of it, it would be of value to the country.

Mr. GARDINER: These regulations are all laid down by the Canadian Seed Growers' Association, which is an organization outside the government itself, or outside the department. We make a grant to that association, and their regulations are subject from time to time to change. I have not at the moment a copy of the regulations under my hand, and I imagine it would take some time to go over them.

Mr. SENN: The federal Department of Agriculture, rather than the Canadian Seed Growers' Association, furnishes the certificate, does it not?

Mr. GARDINER: No. It is the seed growers' association, not the department, that gives the certificate.

Mr. PERLEY (Qu'Appelle): Is $18,900 an increase in the grant to the seed growers' association?

Mr. GARDINER: It is the same amount as has formerly been paid.

Mr. TOLMIE: We have been expending large sums of money for many years on this seed work. Is there any definite information in the department as to the direct beneficial results that come from the work?

Mr. GARDINER: There is, of course, much information available. I am not in a position to say that there is at the moment a printed document from which the information could all be obtained, but I am quite sure that one could be provided, as the hon. member, from his familiarity with the department, will understand. Those of us who are familiar with farming generally can recite many of the benefits that have come through the grading and the registering of seed and through the work of persons who are developing from time to time better seed in the different districts of the various provinces.

Mr. TOLMIE: I was inquiring for the information just for the purpose of getting it into the pages of Hansard and in that way impressing on users of seed throughout the country a fuller realization of the benefits to be derived from the use of better seed. I am sure the hon. minister and all of us who have been associated with agriculture fully recognize that it would be very beneficial to get something definite in the way of figures, or otherwise clearly indicate those advantages. I wish also to ask whether our exports of grass seeds and clover to European countries and other places have increased or decreased in recent years.

Mr. GARDINER: There has been a considerable increase. I have before me the figures in some detail; I do not think it would take too long to go over them. The export of grass seed from Canada to the United Kingdom averaged, from 1930 to 1934, 54,000 pounds a year; for 1934, it was 96,000 pounds, for 1935, 10,000 pounds, and for 1936, 389,000 pounds. The percentage of increase for 1936 over the average for the years from 1930 to 1934 was 720·4 per cent; for 1936 over 1935, it was 3,890 per cent. That is a considerable increase in percentages, but, after all, when one considers the figures the amount is not as large as one might expect it to be. To the United States the average export from 1930 to 1934 was 1,676,000 pounds, a year; for 1934, the export was 871,000 pounds; for 1935, 4,629,000 pounds, and for 1936, 4,111,000 pounds. There is a slight decrease in 1936 as compared with 1935. To other countries than the United States and the United Kingdom, the average from 1930 to 1934 was 402,000 pounds a year; for 1934 the export was 336,000 pounds; for 1935, 241,000 pounds, and for 1936, 412,000 pounds. That is a little less than double for the other countries for 1936 as compared with 1935. I think it would be best to put the table on Hansard just as it is, and if that is satisfactory to the committee it will be done. Perhaps along with that, the imports should be inserted. These show a decrease. I suggest that the figures be taken as read, and the two tables be put in.

Seed

Table 1

Exports of Grass Seed From Canada
Crop Years
000 Lbs.

	Average 1930-1934	1934	1935	1936	1936 % of 1930-1934	1936 % of 1935
United Kingdom	54	96	10	389	720·4	3,890·0
United States	1,676	871	4,629	4,111	245·3	88·8
Other countries	402	336	241	412	102·5	171·0
Total	2,132	1,303	4,880	4,912	230·4	100·7

Table 2

Imports of Grass Seed by Canada
Crop Years
000 Lbs.

	Average 1930-1934	1934	1935	1936	1936 % of 1930-1934	1936 % of 1935
United Kingdom	37	10	107	62	167·6	57·9
United States	7,589	4,331	517	1,868	24·6	361·3
Other countries	141	114	200	187	132·6	93·5
Total	7,767	4,455	824	2,117	27·3	256·9

Mr. THOMPSON: On what basis are grants made to the different seed fairs? Does a fair held in connection with an agricultural society receive the same grant as individual fairs held independently?

Mr. GARDINER: I have already read the regulations in that regard, but in answer to the second question I would say, Yes; the grants are paid if the seed fair is held in conjunction with the county fairs and meets all the conditions. If that is done the subventions are paid.

Mr. TOLMIE: Have exports of barley from Canada to the United States increased very much since the removal of prohibition and the resumption of brewing in that country? Canadian barley was in great demand at one time.

Mr. GARDINER: I have under my hand figures with regard to the imports and exports. The average export of barley from Canada to the United States by crop years from 1930 to 1934 was 200,000 bushels; in 1934, the export was 223,000 bushels; in 1935, 9,296,000 bushels; in 1936, 879,000. The amount is considerably reduced in 1936 as compared with 1935.

Mr. TOLMIE: What is the principal source of sugar beet seed?

Mr. GARDINER: None of it is produced in Canada; most of it comes from European countries. We get some from Germany and some from the southern states.

Mr. SENN: Can the minister give the committee any information with regard to convictions registered under the different clauses of the act in connection with adulteration?

Mr. GARDINER: I have not that information at the moment but it can be brought down. Perhaps the hon. gentleman would put a question on the order paper.

Mr. SENN: It is not a question of knowing exactly the amount. I should like to know whether infringements of the act are falling off, whether there is a better condition in the trade in that respect, or whether there is any attempt to evade the act.

Mr. GARDINER: The number of prosecutions is very small, being not more than thirty last year, which would indicate that the trade is carrying out the intent of the act particularly well.

Mr. SENN: There are two conclusions to be drawn from that statement; one is that the trade is trying to conform to the act and the other is that the act is not being enforced. Personally I believe that the trade is trying to live up to the provisions of the act, although there are always unscrupulous dealers. The act should be rigidly enforced, because the public and honest dealers ought to be protected against those who are violating its provisions.

Mr. GARDINER: The same staff is carrying on that has been enforcing the act for some time, and it is quite active in seeing that the act is enforced. When the legislation having to do with seed control comes down, it will be found that one of the matters that we are trying to tighten up is the very one referred to.

Mr. SENN: One of the grave difficulties under this act is the inspection of hay and straw at destination. Frequently farmers or shippers send a carload of hay or straw to a central depot, and after it is on the track and in the cars it has to be disposed of quickly; otherwise there are demurrage and other charges. In the event of the man to whom the hay or straw is consigned refusing to take it, the farmer or shipper suffers severe loss, especially if the price happens to have dropped. Some protection should be given the shipper in that respect, because he is at a very great disadvantage after the hay has been removed from his own station and is lying in another depot, perhaps in Toronto or Montreal. He has no recourse if the consignee stands back and says that the hay is not up to grade. The department might very well make provision to protect the shipper in that way.

Mr. GARDINER: There is at present no compulsory grading; it is done upon request. I fancy that some difficulties from a constitutional point of view would be experienced in connection with many of these sales. But there are some cases where when trouble arises it is not reported promptly to the department. If it is reported then inspection is made and everything possible done to get over the difficulty. I am sure the hon. member will realize that there are conditions especially during the winter months, affecting the shipment of hay and other fodder in this country. Sometimes the hay or other fodder is baled with a little snow in it, and if it goes where it gets warm it suffers damage. At other times when the weather is right it will go through without any damage. It is very difficult to grade and maintain the grades of a product of that kind. But the department is doing everything possible to provide protection to shippers and purchasers.

Mr. SENN: I was not suggesting that the inspection should be made and grades established at point of shipment. I realize that

there may be times when hay is shipped that should not be shipped, and when it is not up to the grade represented. I think if some action were taken by the department it might assist not only the shipper but the consignee. The department might very well consider some amendment to the act, particularly as there is, I believe, a special act dealing with hay and straw, to see that both parties are more or less protected, so far as this can be done under the constitution.

Mr. GARDINER: I am sorry to say that the matter which is being discussed is not regulated by the seeds act. It is governed by the hay and straw inspection act, and it is not the intention to bring that act before the house at this session.

Mr. SENN: But I understand that any inspection which is made is made under the Seed, Feed and Fertilizer Control Act.

Mr. GARDINER: No, under the hay and straw inspection act.

Mr. SENN: But is it not done by inspectors of this division?

Mr. GARDINER: The same inspectors, but they are enforcing a different act.

Mr. DOUGLAS: Does the department contemplate making available grass seed and other coverage crops for farmers affected by soil erosion? The southern part of my constituency is bounded by the international boundary. Across the line the Americans are fighting the same problem as we are, that of drought and soil erosion. Large areas there have been sown to crested wheat grass. It is yet to be seen whether the effect will be beneficial or not. Not only has the seed been made available to the farmers there, but they have actually been financed in the operation of sowing the seed. Does the department contemplate taking any step of that kind?

Mr. GARDINER: One of the chief activities under the Prairie Farms Rehabilitation Act is doing the very thing referred to by the hon. member. We are buying grass seeds in considerable quantities and distributing them in those areas. But we do not assist in the seeding; the farmers do the seeding themselves. We advise them in regard to the seeding, and have officials of the experimental farms in the vicinity of those areas, and officials under the Prairie Farms Rehabilitation Act supervise the activities to a considerable extent. There are as well in those areas, organizations, for instance, agricultural associations, which have been formed to take in considerable districts—I think there is one just south of Weyburn extending south toward Estevan—and those organizations supervise much of the work, hold meetings from time to time and discuss the best methods to be followed in re-grassing and other activities that have to do with the re-establishment of those districts.

Perhaps we could discuss this matter better when we come to the special votes for the Prairie Farms Rehabilitation Act, which will come down later in the session.

Item agreed to.

Entomology, including investigations and inspections relating to destructive insects and pests, $407,000.

Mr. PERLEY (Qu'Appelle): Could the minister report on the situation in the western provinces, particularly Saskatchewan, in respect to possible outbreaks of cutworms and grasshoppers this year?

Mr. GARDINER: Perhaps I might read a short review I have before me of the conditions existing:

Re grasshopper situation on the Canadian Prairies, 1937

From egg surveys during the autumn of 1936, following the widespread drought of the year, the general grasshopper situation for 1937 is much more serious than that for 1936, and an increase of approximately 9,500,000 acres of infested territory was shown to be present, making a total area threatened with grasshoppers in one intensity or other of some 53,000,000 acres

Increases occurred in all categories, there being some 280 square miles increase in the "very severe" zones, 6,600 square miles increase in the "severe," 6,800 square miles increase in the "moderately infested" and 1,000 square miles increase in the "lightly infested," taking the three provinces together.

The outbreak threatened in Manitoba is extremely slight compared with former years, and it is not expected that a control campaign will be necessary.

In Saskatchewan the increase is very material both in intensity and in area, and a widespread control campaign will be necessary, particularly in the northwestern part of the province, in which heretofore severe outbreaks have not been suffered.

In Alberta the promise is, if the weather is favourable for grasshoppers over a large area, that outbreaks will be as severe as any suffered during the last five years, and a widespread control campaign will be necessitated.

The prospect is that definite organized control campaigns will be necessary throughout some 12,000 square miles—7,680,000 acres—of country.

I do not think it would be fair to read this statement without comment, because it might be taken as a pessimistic prophecy as to what the crop this year might be. Those of us who have lived in western Canada and attempted to grow crops there realize fairly

well that our grasshopper infestations have not invariably started their ravages in the southeastern part of the prairie sections, usually starting in the first year in the southern sections and gradually moving northward and westward. The present movement of grasshoppers started in 1931. It has been going on ever since. As this report indicates, the most difficult infestations to handle are now up in the northwestern part of Saskatchewan and on into the northern part of Alberta. Therefore, looking back over the years it would seem that we are at the end rather than the beginning of a movement against grasshoppers. However, it is most important that people be informed as to the dangers. There is always the possibility that weather conditions may help the farmer in his fight against the grasshoppers, while on the other hand they may assist the grasshoppers. We are in no position to prophesy as to what future conditions may be.

Mr. SENN: I should like to know whether the federal department carries on investigations of methods of eradication of the corn borer. I know the government of Ontario has done something in the matter. Is there any overlapping, and what is the situation so far as the corn borer is concerned?

Mr. GARDINER: We do research work, but the actual administration is carried on under the Ontario Corn Borer Act. We try to control any movement of the pest from one province to another. I am informed that the corn borer has been on the increase in the last two years, but that the problem is not nearly as serious as it was about 1925.

Mr. TOLMIE: To what does the hon. member attribute the increase?

Mr. GARDINER: Mostly to weather conditions. Like most other pests, the corn borer thrives under certain weather conditions.

Mr. TOLMIE: Is it extending far beyond the points in Ontario where it was found a few years ago?

Mr. GARDINER: Yes, it is extending through eastern Ontario into Quebec, and even into the maritimes, where corn is grown.

Mr. SENN: Are any preventive measures being taken by provincial governments? I understand the federal department is doing some scouting and inspection work in some of the maritime provinces.

Mr. GARDINER: Quebec has legislation similar to that in Ontario. I understand there is no legislation in the maritimes, but there is not so much corn grown there, and no serious problem at the moment.

Mr. SENN: What is the probable loss occasioned to the farmers of Ontario or of the dominion by the infestation?

Mr. GARDINER: Speaking from memory I would say that the corn crop in the southwestern part of Ontario was at one time about 14,000,000 bushels, and the corn borer did such damage that it threatened to wipe out production in that area. The introduction of the legislation in Ontario has resulted in a successful battle against the pest, and production seems to be on the increase in that province. I believe they have the pest fairly well under control. However, weather conditions sometimes cause it to increase and at other times to decrease.

Mr. SENN: Can the corn borer be spread by the importation of corn from other countries? Is there any regulation or provision which would avoid a difficulty of that kind?

Mr. GARDINER: It can be carried in the corn, and all corn coming from any country or district in which there is any degree of infestation is under examination by the department. This is for the purpose of controlling the spread of the corn borer.

Mr. SENN: Seed corn or feed corn?

Mr. GARDINER: I am told that all corn may be under examination.

Mr. MARSHALL: In the light of the fact that the grasshopper pest is serious, does the minister think a reduction in the estimate is warranted?

Mr. GARDINER: The matter of controlling grasshoppers is handled by the provinces. We have set up a research service, and our officers assist the provinces in methods of fighting and so on. However, the actual financing is done by the provinces, so that this vote is not so much concerned with the cost of fighting the grasshopper. May I add that maps are available outlining all the infested areas, and any person interested in any particular province may secure a map which would indicate clearly such areas. Information is sent out at the same time as to how best to fight the grasshopper in the area in question.

Mr. MARSHALL: Where does the minister expect to make a saving of $8,100?

Mr. GARDINER: Perhaps I would do well to read a summary of increases and decreases. The first is suballotment number four, in which the increase is $1,000. It provides for an addition to Canada's contribution for 1937-38, to the Farnham Royal Parasite Laboratory, following the recommendation of the Imperial

Scientific conference recently held in London, England. The grant of £950 is increased to £1,250. Then, suballotment number six, for buildings, shows a decrease of $600, as an amount not required in the year 1937-38. In suballotment number nine for personal services there is a decrease of $5,325. In 1936-37 a supplementary vote of $15,000 provided additional money for temporary field assistants. Owing to the reduction in the main estimates now presented this sum is not available. Of course there is no limit to the amount of money one could expend in fighting pests that destroy timber in certain areas, or in fighting grasshoppers. The number of personnel to be used in such a fight is limited only by the amount of money available. There is approximately $15,000 less this year than last to do that kind of work. If we should run into serious infestations of grasshoppers or any other pest, of course we would have to find ways to meet them, and get the money through a supplementary estimate.

Mr. BARBER: Has the minister a report of the investigations which have been carried out in connection with the ravages of the pea moth, which have been very serious on the lower mainland of British Columbia?

Mr. GARDINER: The pea moth is encountered mostly in British Columbia and the maritime provinces. The method of fighting this pest which is being developed at the present time is by the bringing in of parasites. These parasites are being brought in from England, through the Farnham Royal Parasite Laboratory, to which the grant goes which was referred to a moment ago. That organization is interested in the dissemination of all this sort of knowledge and as a result of cooperation between this and other countries of the world we are able to obtain these parasites and put them to work to destroy the pea moth.

Mr. BARBER: Is the experimental work carried on at the Agassiz farm?

Mr. GARDINER: Part of it.

Mr. BENNETT: Have we made any arrangement with the American states south of Saskatchewan and Alberta in connection with locusts and grasshoppers? This matter was brought to my attention just recently in South Africa. Locusts and grasshoppers sweep down from Swaziland into the union territory and I was told that unless some arrangement was made with the adjoining countries we would be labouring in vain in trying to deal with the situation. A few years ago I was told that great numbers of these pests came up from the Dakotas and Montana and proved a great menace to our crops. At that time I think it was suggested that the two countries should cooperate. I was wondering if anything had been done.

Mr. GARDINER: There always has been considerable cooperation between the United States and Canada. I understand that there is under consideration a bill before congress to provide $2,500,000 for the fighting of grasshoppers in the central western states. There is always very close cooperation between the agriculture authorities in the United States and the department here.

Mr. BENNETT: I was wondering if any action had been taken to prevent grasshoppers or locusts going from our country into the United States, or coming from the United States into Canada. It is a question not so much of general cooperation as of the actual taking of steps to deal with the matter.

Mr. GARDINER: It is very difficult to do that. I am quite sure that the leader of the opposition (Mr. Bennett), like myself, has noticed from time to time in the west that when the grasshoppers are moving they can be seen at almost any height. Even when they are not travelling thick enough to darken the skies, as they sometimes do, they can be seen at great heights. I think it was only two years ago that an aeroplane in North Dakota to the south of the Saskatchewan boundary was forced to land because of grasshoppers. It would be really very difficult to control the movement of grasshoppers between the two countries.

Mr. BENNETT: Any action that was contemplated would have to be taken before they reached that stage of development.

Mr. GARDINER: I think it has always been recognized that the grasshoppers start in the central prairie section of the United States and move north. We have always some little warning of their approach. I am not aware of any serious movement from the north to the south, although at times there has been some movement.

Mr. BENNETT: That happened two or three summers ago.

Mr. GARDINER: There is cooperation in the methods used to fight the grasshoppers at a certain stage in their life, rather than in trying to deal with them after they start moving.

Mr. TOLMIE: Has there been any evidence in Canada of the Mexican pin worm affecting tomatoes?

Mr. GARDINER: I am told that the pin worm is a new pest of southern range. It has not as yet become established in Canada. It is under investigation by the department.

Mr. TOLMIE: Is the minister referring to the Mexican pin worm?

Mr. GARDINER: Yes. It is not really a pest in the sense in which we use that term, but it is being investigated with the idea of preventing its becoming a pest.

Mr. TOLMIE: What progress has been made in protecting the spruce trees of New Brunswick and other places from the sawfly pest?

Mr. GARDINER: The fight against that pest is being carried on in the same way as the fight against the pea moth, that is by introducing parasites. Some 20,000,000 of these parasites were introduced into areas in eastern Canada last year. We have an army of 20,000,000 parasites fighting the sawfly pest.

Mr. TOLMIE: Is there any evidence that your army has been victorious?

Mr. GARDINER: These parasites feed only on the pest and we have recovered numbers of the parasite which was imported. This would indicate that the parasites are becoming established and we hope they will assist in a decrease of the sawfly pest.

Mr. TOLMIE: Do they appear to be in as good condition as when they were sent out to capture the enemy?

Mr. GRAYDON: According to the last report of the Department of Agriculture mosquito control projects would come under this item. Can the minister indicate what progress has been made in the last year in this connection?

Mr. GARDINER: All our work along these lines is advisory. We carry on research work and advise the different municipalities how mosquitoes may be destroyed. The actual work of destruction is carried on by the municipalities.

Mr. TOLMIE: Has any progress been made in connection with handling the jumping flea beetle?

Mr. GARDINER: As a result of research in the department there has been developed a nicotine dust which has given good control. I think they are found mostly in British Columbia.

Mr. BARBER: Another pest found in British Columbia is the earwig, in connection with which I believe the minister was questioned last session by the late former member for Victoria, Mr. Plunkett. Can the minister give the committee any information.

Mr. GARDINER: This pest is now being fought in exactly the same way as the other two I mentioned, that is by the introduction of parasites.

Mr. SENN: Would the minister inform us as to the method of inspecting nursery stock coming into the country? What is done with the stock when it is found to be disease infested? At what ports is the inspection carried out, particularly of stock from Europe and Asiatic countries?

Mr. GARDINER: Any one bringing nursery stock into Canada must first obtain a permit from the branch. This stock is examined at all ports of entry where such shipments are admitted. If it is found necessary to do so, the nursery stock is treated in order that there may be no danger of any pest being introduced into the country. This work is checked up as carefully as possible.

Mr. SENN: Is it possible for the inspectors to detect fungus disease of different kinds and discover insect pests on shipments of nursery stock?

Mr. GARDINER: It is very difficult to inspect nursery stock for plant diseases but it can be quite easily inspected for insect pests. The department has a knowledge of the background of the well known diseases of plants that are imported, and where these are discovered, as they sometimes are, the proper measures for dealing with them are taken.

Mr. SENN: It would seem to me to be almost impossible for the inspectors to inspect all the nursery stock that comes in at certain seasons of the year. I have seen them come in; the roots are wrapped in moss and dampened, and carload after carload of that class of goods comes in. I cannot understand how it would be possible to inspect all these cargoes at all efficiently. I would ask the minister to give us some explanation of what is done in that regard.

Mr. GARDINER: Bulbs and nursery stock of that kind are not all inspected individually, of course, but samples are taken and an inspection is made. The inspectors of the

department examine millions of plants every year for parasites and insects that may be destructive of plant life, and wherever plant disease is discovered, that is dealt with as well.

Item agreed to.

Health of animals, administration of Animal Contagious Diseases Act and Meat and Canned Foods Act, $1,819,700.

Mr. MARSHALL: Would the minister explain the very large decrease in this item?

Mr. SENN: There is a very serious reduction in the item, which is one of the most important in the whole vote for agriculture, and I think the minister should give a very full explanation of how this reduction comes about.

Mr. GARDINER: I think hon. members will recall that last year we brought down in the main estimates approximately the same amount for this purpose as we are bringing down this year. It is very difficult at this time of the year to determine what districts it may be necessary to go into to open up what are called anti-T.B. areas, and that is where the greater part of the expenditure is made. In the supplementary estimates last year we found it necessary to ask for a further appropriation of three-quarters of a million dollars. That is included in last year's vote indicated in the estimates, and must be considered when taking account of the reduction in the vote. I am not in a position at the moment, and probably shall not be until very much later in the session, to say to what extent it will be necessary for us to be active this year in fighting T.B. in new areas, but we have provision in this vote for doing everything that has been carried on previously, with the exception of the opening up of new anti-T.B. areas, and that is entirely a question of how far with the money that is available from the treasury we can go in extending the area in which T.B. is being fought. We spent a considerable amount last year partly because of the necessity of going back over the same areas again, and also because of the fact that we took in areas like that around the city of Toronto, where there was a very considerable number of dairy cattle and where there turned out to be a very considerable number of reactors. That is probably one of the most expensive areas we would have to deal with in Canada, and as that was done last year it is just possible that we may be able to get along with less than the amount spent last year. But later in the session I may have to report to the house that more money is required.

[Mr. Gardiner.]

Mr. SENN: I agree that the work of cleaning up T.B. in these areas is very important. Would the minister tell the committee how many areas are at the present time fully restricted, with fully accredited herds, how many are under accreditation or inspection, and how many applications have been made for other areas to be taken into the scheme?

Mr. GARDINER: I have under my hand a list of the fully accredited areas. In Prince Edward Island the entire province is covered, comprising the counties of Kings, Queens and Prince. They now have a percentage of less than ·5 per cent of reactors there. In New Brunswick the following counties are accredited areas: Charlotte, Madawaska, Queens, Sunbury, York, and that comprises the whole province. In Quebec nine counties have been covered, or about half the province. In Ontario, Carleton county, Kenora district, Leeds county, Prince Edward county, Russell county, have been covered. All these I have mentioned are fully accredited areas. The whole province of Nova Scotia has been gone over once, but it is not accredited until the retests are made.

Mr. KINLEY: Does that include the island of Cape Breton?

Mr. GARDINER: No.

Mr. KINLEY: Then that is not all Nova Scotia.

Mr. GARDINER: No; I apologize to my hon. friend. I should have said the mainland. In Manitoba the accredited areas are the rural municipalities of Pembina, Portage la Prairie, Rhineland and Winchester. In Saskatchewan the accredited areas are the rural municipalities of Blucher, Cory, Lost River, Montrose, Morris, Park, Vanscoy and Warman. One of the reasons why it may be found unnecessary to spend as much money this year as last is that last year in many instances we were covering new areas with the first test. This year we shall probably be making retests in districts from which the greater number of reactors have already been cleared, and on the second test we should not have so much compensation to pay out for stock destroyed.

Mr. SENN: I also asked the minister for the number of applications from other districts.

Mr. GARDINER: New districts tested this year are six counties in New Brunswick, five in Quebec, eight in Ontario, and ten in Manitoba. I am informed that these are practically all the applications we had this year, and the applications are now pretty well up to date.

Mr. HARTIGAN: How many years is it since the first test was made in Nova Scotia?

Mr. GARDINER: It was in 1927.

Mr. HARTIGAN: That is ten years ago, and I suppose after that was done the departmental officials lapsed into their usual approximation to a Rip Van Winkle existence, because since then no further effort has been made.

As far as Nova Scotia is concerned, it has received very little attention in any line, as regards expenditures or otherwise, from the federal Department of Agriculture. There has been sold to the people of Nova Scotia, even in the cities, milk coming from barns from which certainly, in the interest of public health, it should never have been allowed to be retailed in the cities. The federal Department of Agriculture has never bothered itself to take the least interest in this matter, although it has been appealed to on various occasions to protect the health of the people. Let me give one example: Ten years have elapsed from the time of the first test being started, and the second test is not yet under way. That simply means that a great deal of money has been thrown away; the first test is practically useless. This is the type of service for which the people of Canada are paying large sums of money.

Mr. KINLEY: With regard to Nova Scotia, as the minister says the first test was made in 1927. There was considerable opposition to it, so much so that local authorities did not include the island of Cape Breton, and, as I understand the situation, the island has never been subject to the test. Tests are made in conjunction with the local government, and it is hardly fair to say that the officials here have been derelict in their duty, because it was suggested that public opinion down there was not strong for a second test, although I am told opinion is growing now in its favour.

Mr. GARDINER: The hon. member is right in saying that there has been some little difficulty about covering Nova Scotia. Cape Breton has never applied, and of course the counties must apply before they are brought in. The other part of Nova Scotia was established as a district, and I understand that the law does not now provide for changing a district once it has been established. The whole province is the district. I understand that the Department of Agriculture have always been willing to proceed in Nova Scotia, and I am certain that they have been willing this year, because the department has written to Nova Scotia expressing a desire to go ahead with the work in that province. So far we have not been able to make satisfactory arrangements to proceed. There has to be, in connection with this activity, as with many others, some cooperation between the province and the federal authority, and there has been some little difficulty about getting the matter carried out in Nova Scotia to the satisfaction of the county interested, the provincial government and ourselves.

Mr. KINLEY: In 1927, when the test was carried out in Nova Scotia, the price of cattle was so high that it looked like confiscation to take a farmer's cattle at the valuation established by the old regulation that had been standing for so many years. Since then the condition has become such that a farmer will get more out of the test and sometimes fare better than he will by selling the cattle, so that it is more acceptable, and I think the farmers are again becoming more interested.

Mr. GRAYDON: Would the minister give us details as to the number of cattle that were tested in the Peel county area which is under the tuberculosis restrictive regulations, since the test was begun last year; also how many reactors there have been so far to that test?

Mr. GARDINER: In Peel county, 16,106 cattle were tested. There were 2,954 reactors, or 18·34 per cent. The compensation amounted to $93,230.

Mr. GRAYDON: Could the minister give us any information as to whether the tuberculin test is to be proceeded with in the two northern townships of Caledon and Albion, in the county of Peel, which I understand have not as yet been tested?

Mr. GARDINER: At the present time those townships are not prepared to have the test. There is a petition from them, but the townships have expressed a desire not to have us proceed. I think the main reason for that is, it is a feeding district and in view of those interests they are a little bit concerned about having an interruption in the entry of feeders into that area.

Mr. McNEVIN: Has the department received a request from the southern townships in the county of Victoria?

Mr. GARDINER: Victoria, Ontario?

Mr. McNEVIN: Yes.

Mr. GARDINER: No, not yet.

Mr. McNEVIN: In view of a remark made by the hon. member for Broadview (Mr. Church) regarding the amount

of money spent on the health of animals in proportion to the amount spent on the health of the people, I think it should be pointed out, though it may be generally known, that this expenditure is made, after all, in order to protect the health of the citizens of the country and not just that of animals.

Mr. GARDINER: A very important reason why we are fighting tuberculosis in cattle is to prevent human beings from getting it. The whole matter is a health movement.

Mr. KINLEY: Is not that a debatable question?

Mr. GARDINER: I am not a medical authority, but most people contend that is the case.

Mr. DOUGLAS: On what basis is compensation given to the farmer whose stock must be destroyed because it shows an unfavourable reaction to the tuberculin test?

Mr. GARDINER: It is two-thirds of the maximum value. The maximum value for grades is $60 and for purebreds, $150, which makes the maximum one can obtain for a grade, $40, and the maximum one can obtain for a purebred, $100. The cattle are all valued.

Mr. DOUGLAS: Who evaluates the grade?

Mr. GARDINER: Our veterinary inspector.

Mr. PELLETIER: How much of this work was carried on last year in Alberta?

Mr. GARDINER: No areas in Alberta applied last year. Indeed, I understand no areas in Alberta have at any time applied for this service, and none was given last year or any previous year.

Mr. PELLETIER: In view of the large reduction in this item I am wondering whether the result will be a lessening in any way of the inspection that is kept over meats and canned food products.

Mr. GARDINER: No, there is no lessening. As a matter of fact I think the hon. member will find, by an examination of the details of the vote, that it is increased, one of the reasons being that a new plant has been opened in Edmonton. Six new plants have been opened across Canada. Under our regulations all these have to be inspected, which requires a larger, not a smaller expenditure.

Mr. LEADER: I associate myself with the remarks made by the hon. member for Victoria, Ontario (Mr. McNevin) in protesting —rather mildly, nevertheless protesting— against the remarks we sometimes hear in this house to the effect that we grant so many hundreds of thousands, or millions of dollars —though this is rather an exaggeration— for health of animals while neglecting the health of human beings. As the minister so well pointed out, this work is undertaken for the protection of human lives even more perhaps than it is for the protection of our animal life. I do not think the government is extending the operations of this work as fast as it should.

There is another disease which, in my opinion, is a greater menace than tuberculosis not only to the live stock industry but as well perhaps to the human race. I refer now to Bang's disease. This disease is spreading at a rapid rate in Canada and is assuming considerable proportions in the United States; altogether it is regarded as extremely dangerous. I wish to read a brief passage from a pamphlet sent out by the department, Bovine Infectious Abortion or Bang's Disease of Cattle. This pamphlet points out that the disease is causing heavy financial loss to the live stock and dairy industries and is a serious factor in public health problems. It goes on to say:

> A few years ago cattle were thought to be the only susceptible animals. To-day we know that this was an erroneous view and that other lower animals are subject to infection. Nor is man immune since the causative microbe attacks him, producing a serious illness known as undulant fever and on this account bovine infectious abortion is no longer only of interest to rural and cattle raising communities. The city and town dweller must give the problem a measure of attention.

I have read this passage because I view with deep concern the decrease in this grant in connection with the Animal Contagious Diseases Act. I am, however, full of hope, from the remarks made by the minister, that in a supplementary estimate to be brought down later more money will be granted to cope with this disease. The department is offering to cooperate with the farmers in the eradication of the disease. It will undertake to cooperate with breeders who are willing to sign certain documents, agreeing to adhere to the rules. That is quite proper. But although the department fully realizes the danger of the disease and is willing to cooperate towards its eradication, it has not yet come to the point where it is willing to offer compensation to the live stock man who, for the sake of his family and others as well, is ready to have his animals slaughtered when they react to the test.

The government's recommendation is that the most effective way to get rid of the disease is to test animals and, if they react,

to have them slaughtered. This is a hardship to live stock owners because, without compensation, the animals slaughtered represent a total loss. I believe the day is coming when the government must assist live stock owners by means of compensation in the same way as they are being assisted now in connection with bovine tuberculosis. Some people may think, as one hon. gentleman said this afternoon, it might be more profitable to have the animals slaughtered than to rear them. That is altogether a fallacy. I have had a great many years' experience in raising live stock, and while I have suffered considerable loss from bovine tuberculosis it has never occurred to me that it was cheaper or to my advantage to have cattle react and be slaughtered rather than to carry them on; the reverse is the case.

I understand that the United States are spending huge sums on investigational work in connection with this disease. I know that they are also compensating owners whose cattle are slaughtered. In the very near future, if any real remedy is to be effected, the Canadian government must also compensate live stock owners who submit to the slaughter of their cattle. I am pointing out the danger of this disease, and it is my opinion that the government should appropriate more money for investigational work.

There are two questions which I wish to ask the minister. First, is it the intention of the government to curtail operations in connection with the work for the eradication of tuberculosis in cattle? Second, has the government any intention of offering compensation to owners of live stock when their cattle are slaughtered under the Bang's test?

Mr. GARDINER: The department does not intend to let up in its fight for the eradication of tuberculosis among cattle. It is possible that what may be done this year may cost less than what was done last year owing to the fact that part of the area we are going over is one that is being retested, so that the number of animals affected will not be so great in proportion to the total number tested.

As regards Bang's disease, I can only say that it is pretty much in the position that bovine tuberculosis held some years ago. When governments first started their fight against tuberculosis among cattle, I think I am safe in saying that ninety per cent of the cattle owners were opposed to any such policy. As they acquired more and more experience in connection with it, and as more information was made available, it became a more or less popular policy to carry on that work. Governments are more or less controlled by public opinion even in connection with such a matter as the fighting of tuberculosis among cattle. The answers I have given to questions regarding certain areas wanting to come in and others not wishing to do so are a fair indication that not one hundred per cent of the people are yet convinced with regard to tuberculosis. The attempt to eradicate Bang's disease, so far as our information goes, is comparatively new. The agitation with regard to fighting the disease has been effective only within the past few years.

As regards expenditures in the United States, I understand that the authorities there took advantage of the fact that they were going out to destroy a certain number of cattle anyhow under a certain policy evolved in that country a few years ago. They were going out to destroy diseased cattle and they took advantage of that policy to go ahead with the eradication of Bang's disease. My information is that they are spending something like $10,000,000 for that purpose. We in Canada are compelled, if we wish to ship breeding cattle to the United States, to have the cattle tested at the border. When we test them and find reactors to Bang's disease, these cattle are not condemned in the sense that cattle suffering from tuberculosis are condemned; we simply mark them. My experience in the year I have been in office is that it is rather difficult to continue even marking them. At the beginning we had a mark which was a large "B" on the cheek, and anyone walking into a barn and seeing a cow with that mark would know that it had reacted to the test for Bang's disease. We have ceased to use the large "B" on the cheek and now put a small "B" on the ear. That is because public opinion has not yet developed to the point that, in many instances, the people will even stand for our marking the cattle. We shall probably have to work along in pretty much the same way in regard to Bang's disease as we previously did in connection with tuberculosis in cattle. We shall have to convince at least a fair percentage of the people that the test we make is pretty nearly infallible, and does indicate whether the animal has the disease. Having convinced them of that fact, we may be able to proceed to do some other things in connection with fighting Bang's disease that at present we cannot do. But we have no intention of ceasing the fight against Bang's disease; we intend to go on by stages as

public opinion permits, and to educate public opinion with regard to the matter, limited only by the amount of money this house will vote for the purpose of fighting the disease.

Mr. LEADER: My information is that the test is not infallible at all, far from it. That is one reason why I think the government should undertake further investigation in cooperation with our neighbours to the south. It is very important that this investigational work should be carried on without cessation.

Mr. BARBER: I understand the scientists to the south have developed a serum which some veterinarians in Canada claim has proved very successful, but they complain that the department will not permit it to enter this country. They tell me that it has been tested south of the line and is working very successfully. Why the department will not permit it to enter this dominion they do not understand. Would the minister explain that?

Mr. GARDINER: I understand a vaccine is under investigation in the United States, and they are attempting to develop it, but it is still in the research stage. It will be a cure for the disease rather than merely a means of diagnosis. It has not yet been proven that that serum is successful in curing the disease. I understand it is not officially used in the United States. That may be subject to correction; there may be some states in which it is. We are conducting work along the line of diagnosis.

Mr. BARBER: Is it not the intention of the department to give that serum a trial? I understand several herds across the line have been successfully treated. When one veterinary on the lower mainland undertook to carry out an experiment on a herd in that section he was not permitted to bring the serum across the line.

Mr. GARDINER: Under the biological orders there is a general regulation which prevents bringing into Canada a serum containing any living organism. It is under that regulation that this serum is not permitted to enter this country at the present time. I do not know that I can say more than that the department is keeping the closest possible check on investigations going on in the United States, and as soon as any method is proven to be effective it will be taken advantage of in Canada.

Mr. THOMPSON: What provision has the department for supervising the sale of tubercular cattle after they have been examined and branded? We know the drovers go through the country picking up these cattle; we see them shipped off to the abattoirs, and it is stated that in many cases these diseased cattle are slaughtered and sold for human food. What supervision has the department over the slaughter and sale of these condemned animals?

Mr. GARDINER: The marked cattle spoken of are shipped only under licence to abattoirs; those abattoirs are all properly inspected, and the carcasses are properly inspected there. If it is found that the diseased parts are not detrimental to the use of the other parts of the carcass for food, probably the whole animal is not condemned. But in cases where there is any danger whatsoever the animal is condemned and no part of it is used for human food.

Mr. GRAYDON: I understand that under the United States Milk Import Act certain additional requirements have to be complied with by dairies and other shippers sending milk to that country. I should like to know in what respect those requirements differ from the ones which a dairy must comply with under the ordinary Canadian regulations.

Mr. GARDINER: The ordinary Canadian regulations are mostly municipal; they vary a great deal throughout Canada. But if it is desired to have further discussion in regard to this item I shall suggest that the committee rise.

Item stands.

Progress reported.

On motion of Mr. Dunning the house adjourned at six o'clock.

Monday, January 25, 1937

The house met at three o'clock.

GOVERNOR GENERAL'S WARRANTS

On the order for motions:

Right Hon. R. B. BENNETT (Leader of the Opposition): Perhaps the Minister of Finance (Mr. Dunning), without the necessity of a motion being made, would table at an early day copies of all orders in council authorizing governor general's warrants.

Hon. CHARLES A. DUNNING (Minister of Finance): I shall be glad to do that. The only reason it has not been done as a matter of ordinary routine is that the act was amended in such a way as not to involve automatic tabling.

Mr. BENNETT: There is no necessity for doing it except in response to a motion. I merely make the suggestion to avoid the necessity of making a motion.

RAILWAY ACT AMENDMENT

Mr. WILFRID LACROIX (Quebec-Montmorency) moved for leave to introduce Bill No. 10, to amend the Railway Act.

Some hon. MEMBERS: Explain.

Mr. LACROIX (Quebec-Montmorency): This bill is introduced to clarify the jurisdiction of the board of railway commissioners in connection with telephone tolls and services, and to fix the limits within which such tolls shall be applicable. A case was submitted to the board of railway commissioners when sitting in Quebec and the chairman, the Hon. Mr. Guthrie, declared that the board was without authority to act therein and suggested that the law be amended.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

CANADIAN NATIONAL RAILWAYS—DEBT TO THE PUBLIC

Mr. ESLING:

1. What is the total indebtedness of the Canadian National Railways to the public?
2. What is the total annual interest on this indebtedness?
3. What is the total indebtedness of the Canadian National Railways to the consolidated revenue fund of Canada?
4. (a) On what portion of the indebtedness to the consolidated revenue fund is the Canadian National Railways obligated for interest; (b) what amount, if any, of this obligation is paid annually?

Mr. HOWE:

1. $1,184,612,248.59 at December 31, 1936.
2. $49,184,622.87 (1936).
3. Of the total cash expenditures by the dominion, amounting to $1,468,611,114.00 (not including interest on loans) as shown on page 7 of the Department of Railways and Canals report for the fiscal year ending March 31, 1936, the following are the amounts that may be considered as charged against the Canadian National Railways:

Loans to C.N.R. (includes loans to former privately-owned roads) on which interest is accrued but not paid	$645,527,455.83*
Investment in canadian government railways	388,880,002.78
Stores and open accounts of canadian government railways	15,748,921.60
The following amounts are in suspense:	
Temporary loans (interest paid currently)	36,390,204.25
Expenditures under supplementary public works construction act, 1935 (unemployment relief)	5,068,081.85
Balance covering all deficits, subsidies, and all other items which have been absorbed in the net debt of the dominion	376,996,447.69
Total	$1,468,611,114.00

* Interest on $645,527,455.83 accrued and unpaid, to March 31, 1936, is $536,585,117.10, as shown in Auditor General's report, Volume 1, page 161, fiscal year 1935-36.

4. (a) $645,527,455.85 C.N.R. loans (non-active).
(b) Nil.

CANADIAN NATIONAL STEAMSHIPS—EMPLOYMENT OF CANADIANS

Mr. ISNOR:

1. Has the recommendation, made by the industrial and international relations committee and passed by the House of Commons at the last session, relative to the employment of a greater number of Canadians by the Canadian national steamships, as applying particularly to the Atlantic coast, been acted upon by the said Canadian National Steamship Company?
2. If so, to what extent?
3. If not, why?

Mr. HOWE: 1. The answers supplied by the Canadian National (West Indies) steamship management are as follows:

The Canadian National steamships are employing as many Canadians as possible on board all ships, and this policy has always been in effect, and at all times preference is given Canadians who have the necessary qualifications to handle the various positions involved.

2. At the present time, the number of employees afloat is as follows:

Masters and officers, 45. (All of whom are Canadian residents and British subjects; 96 per cent are Canadian born).

Pursers' department, 24. (All of whom are British subjects).

Doctors, 7. (All of whom are British subjects, the majority being Canadians).

Engineers, 85. (All of whom are British subjects, 79 of which are domiciled in Canada and 6 in the British isles).

Plumbers and electricians, 16. (All of whom are British subjects and Canadian residents; 86 per cent of whom are Canadian-born).

Carpenters, boatswains, sailors, etc., 197. (All of whom are British subjects and Canadian residents; 97 per cent are Canadian-born).

Firemen and oilers, 138. (Twenty-six are Canadian residents, 112 West Indians; 14 are white and 124 coloured).

Stewards' department, 632. (Of this number 335 are West Indians, the balance are British subjects domiciled in Canada, 90 per cent of whom are Canadian-born).

The total number of employees affoat is 1,144.

3. Answered by No. 2.

CANADIAN NATIONAL RAILWAYS—SALE OF LAND IN HALIFAX, N.S.

Mr. ISNOR:

1. Were tenders called for during the past year by the Canadian National Railways in connection with the sale of a parcel of land situated in Halifax, Nova Scotia?

2. If so, what were the names and addresses of tenderers, and the amounts of respective tenders?

3. Was said land sold; if so, to whom, for what amount, and what are the names and addresses of purchasers?

4. Has deed been given for said land?

5. If so, to whom, and what is the date of such deed?

Mr. HOWE:

1. Yes; by public advertisement in August, 1936, for 7·174 acres, fronting on Quinpool road, Halifax, expropriated by the crown in 1913, and found not to be required for railway purposes.

2. F. J. Crooks, Halifax, N.S.	$12,500
H. V. Cleveland, Dartmouth, N.S.	12,055
Fred C. Manning, Halifax, N.S.	10,200
The Melvin S. Clarke Company, Halifax, N.S.	7,800
J. E. Rutledge, Halifax, N.S.	5,500
H. Hemming, Halifax, N.S.	5,200

3. The board of trustees of Canadian National Railways by resolution of date September 4, 1936, recommended acceptance of the highest tender, that of F. J. Crooks, at $12,500. This offer was accepted and sale authorized by order in council, P.C. 2481, of September 24, 1936.

4. Yes; by letters patent, No. 30219.

5. Norwood Realties, Limited; November 27, 1936.

[Mr. Howe.]

PRINCE ALBERT NATIONAL PARK—APPOINTMENTS

Mr. COLDWELL:

1. How are appointments made to the staff at Prince Albert National park?

2. Was one Arthur Campbell employed there?

3. Is he a British citizen?

4. Are numerous unemployed ex-service men resident in the Emma Lake district denied employment when others obtain work there? If so, why?

5. On whose recommendation is such employment given?

Mr. CRERAR:

1. The civil service commission or the minister depending on the nature of employment.

2. Yes, fourteen days from October 22nd to November 7, 1936, on telephone work and 193 hours during summer fighting fires.

3. Not known.

4. Park superintendent reports he is not aware that any ex-service men resident in Emma Lake district denied employment. Five men from Emma Lake district employed last season, of which one was ex-service man.

5. Superintendent and park engineer pass on qualifications of men employed.

DISPOSITION OF IMPERFECTLY PRINTED POSTAGE STAMPS

Mr. WILTON:

1. What disposition is made of imperfectly printed air mail and other types of postage stamps?

2. Is it true that they are offered for sale to stamp collectors in England, and not offered for sale to stamp collectors in Canada?

3. If so, why are Canadian stamp collectors not given an opportunity to purchase these stamps?

4. What is the financial income to the government annually, from the sale of imperfectly printed postage stamps?

Mr. ELLIOTT (Middlesex):

1. Stamps detected as being imperfectly printed are not accepted by the department. Wastage is destroyed at the manufacturer's plant under supervision of the Post Office Department.

Occasionally slight engraving defects in one or more stamps in a sheet of one hundred are observed by philatelists or collectors after these stamps have been sold to the public. When a number of orders are received at the department for these particular stamps, an examination is made and when the defect is discovered, the stamps are placed in the philatelic section in order that they may be available to all collectors.

2. No.

3. Answered by No. 1 and No. 2.

4. Face value.

RAILWAY GRADE CROSSINGS

Mr. LENNARD:

1. What parties share in the cost of the elimination of level crossings throughout Canada?
2. In what proportion do they share this cost?

Mr. HOWE:

1. In most cases the cost is divided among the railway grade crossing fund, the railway company, and the province or municipality.

2. There is no set proportion for sharing the cost. In the majority of cases of payments coming under the railway grade crossing fund the cost is apportioned 40 per cent to the fund, 30 per cent to the railway company, and 30 per cent to the province or municipality. However, the division of cost among the railway company and the other parties may vary. Contributions up to 100 per cent of the cost of protective works may be authorized out of funds provided under votes 417 and 420, special supplementary estimates, 1936-37. In the majority of cases these funds have contributed 70 per cent and the remainder contributed by the province or municipality, or jointly by them and the railway company concerned.

HAMILTON, ONT., CUSTOMS COLLECTOR

Mr. LENNARD:

1. Was the office of chief customs inspector for the Hamilton, Ontario, district filled in order of seniority within that district?
2. If not, why?

Mr. ILSLEY: Apparently the hon. member for Wentworth refers to the position of collector of customs and excise for the port of Hamilton.

Following the established practice, the civil service commission invited applications from the permanent employees of the department located in inspection district No. 5, division "C," and from those attached to the inspection staff with headquarters at Ottawa who wished to be considered for the collectorship at Hamilton. The various applicants were rated by departmental officers on the basis of efficiency in their respective positions and their general fitness for advancement to this higher grade. The rating on seniority was fixed by the civil service commission, but seniority is only one factor in arriving at a decision. Mr. Adam Ballentine, of the inspection staff at Ottawa since 1934 but who was formerly attached to the Hamilton port for approximately twenty-eight years, being considered the best qualified candidate, was promoted to the collectorship by the civil service commission.

WAINWRIGHT BUFFALO PARK EMPLOYEES

Mr. FAIR:

1. Who is responsible for engaging and dismissing the help at the Wainwright buffalo park?
2. Is he under the Civil Service Commission?
3. When was he appointed?
4. What is his salary?
5. Is he permitted to dismiss returned soldiers whose work has been satisfactory?
6. How many men have been dismissed since October 22, 1935?

Mr. CRERAR:

1. The civil service commission or the minister, depending on the nature of the employment.

2, 3, 4, 5. Answered by No. 1.

6. In addition to the permanent supervisory, clerical and warden staff there are a number of persons employed at Buffalo national park in positions which are exempt from the operation of the Civil Service Act. All such employment is considered temporary as the personnel changes from time to time according to the labour requirements for the park. These employees may be divided into two classes, as follows:—

(a) Those who occupy seasonal positions who are employed for varying periods each year.

The superintendent's November attendance statement shows there were ten (10) of this class of employees in November last and these same ten (10) employees were shown on the attendance return for October, 1935, during which month there were fifteen (15) of such employees. The services of five (5) were dispensed with since October 22, 1935.

(b) Those who may be classed as casual labourers employed from time to time as required for short periods.

Employees in this class were engaged and retired as and when it became necessary to do so.

DEMONSTRATION FARMS—ILLUSTRATION STATIONS

Mr. LACOMBE:

1. Does the federal Department of Agriculture establish demonstration farms?
2. If so, does the said department make a grant to the proprietor of the farm which is utilized for demonstration purposes?
3. What is the amount of the grant generally given?

Mr. GARDINER:

1. The federal Department of Agriculture does not make grants to establish demonstration farms.

The federal Department of Agriculture does operate illustration stations which involve

only such areas of the farmers' property as may be required for plot work for the purpose of discovering the applicability of the results of experiments on experimental farms to other localities in that region.

2. In connection with illustration stations the federal Department of Agriculture does not make any grant to the operators.

3. For small areas ranging from 8 to 25 acres, for plot work, the rental is $5 per acre, per annum. For larger areas, for rotation and cultural trials, the rental is $1 per acre per annum.

The operator in return must conduct all operations under close supervision of the departmental supervisor, do the work accurately, maintain records, and give liberally of his time to visiting farmers. The area is used for field meetings, demonstrations and to otherwise serve the agricultural interests of the locality.

MR. GALLACHER, MEMBER OF BRITISH HOUSE OF COMMONS

Mr. LAPOINTE (Matapedia-Matane):

1. Did Mr. Gallacher, member of the House of Commons in England, come to Canada during the last twelve months, and, if so, how long did he stay in our country?
2. What was the purpose of his visit?
3. Did the government receive any protests against his admission into Canada?
4. Is the government aware that he gave lectures or made addresses in favour of communism?
5. If so, did the government take any steps to prevent him?

Mr. CRERAR:

1. Yes. The exact length of his visit is not known.

2. Was admitted as non-immigrant. The department has no information as to the purpose of Mr. Gallacher's visit otherwise than as a visitor. It has always been the Canadian custom to extend courtesies to members of the British House of Commons or other persons in a similar position, in the same way as similar courtesies are extended to the members of the Canadian House of Commons.

3. Yes—one.

4. No.

5. Answered by number 4.

REVENUE DERIVED BY PROVINCES FROM DOMINION AND BY DOMINION FROM PROVINCES

Mr. JOHNSTON (Bow River):

1. How much revenue, directly and indirectly, was derived, in 1935 and 1936, by the dominion treasury from Alberta, Saskatchewan, Manitoba, and British Columbia, respectively?
2. How much revenue, directly and indirectly, have Alberta, Saskatchewan, Manitoba, and British Columbia, respectively, derived from the dominion treasury in 1935 and 1936?

[Mr. Gardiner.]

Mr. DUNNING: Mr. Speaker, this is a question which it is impossible to answer. I have no means of securing this information accurately.

Question dropped.

WAINWRIGHT BUFFALO PARK FARM SUPERVISOR

Mr. FAIR:

1. Who is the present farm supervisor at Wainwright buffalo park?
2. What is his salary?
3. On whose recommendation was he appointed?
4. Had he any previous experience?
5. If so, how long?

Mr. CRERAR:

1. D. H. Folkins.

2. $1,800 per annum.

3. Owing to the conditions existing at the park and among the animals it was considered advisable to secure the services of a technical agriculturist and the present incumbent was chosen because he possessed these qualifications.

4 and 5. Graduate of the Vermilion School of Agriculture, also Bachelor of Scientific Agriculture, from the University of Alberta.

For over six years has taken active part in management of 2,000 acre farm and 300 head of live stock at Chauvin.

HAMILTON, ONT., FEDERAL GOVERNMENT OFFICES

Mr. LENNARD:

1. What departmental offices of the federal government in Hamilton, Ontario, are not housed in the new Federal Building, or other buildings owned by the government?
2. Where are they located?
3. What rentals are being paid for the premises they occupy?

Mr. CARDIN:

1. (a) Post Office Department (handling of mails); (b) National Defence Department (R.C.N.V.R.); (c) National Defence Department (armoury).

2. (a) Canadian National railway station; (b) 41 Stuart street; (c) 242-246 James street North.

3. (a) $3,750 per annum; (b) $1,500 per annum; (c) $2,200 per annum (lease to be terminated January 31, 1937).

MARKET GARDENING PRODUCTS

Mr. LENNARD:

1. What was the approximate value of market gardening products produced in Canada during the year 1936?
2. What percentage of this was produced by Ontario growers?

Mr. ROGERS:

1. $20,000,000.

2. Approximately 50 per cent.

FRENCH VILLAGE, N.S., WHARF

Mr. BROOKS:

1. Were certain repairs made to the government wharf at French Village in the county of Halifax, Nova Scotia, during the year 1936?

2. If so, what was the (a) cost of material; (b) cost of labour?

Mr. CARDIN: Yes.

2. (a) $699.80; (b) $562.18.

CUBAN DUTY ON CANADIAN SEED POTATOES

Mr. BROOKS:

1. Was a duty of $10 per barrel recently imposed by the Cuban government upon Canadian certified seed potatoes entering that country?

2. If so, on what date was this duty to take effect?

3. Has the Canadian government or any department thereof made any representations to the Cuban government with the object of having the duty removed or lowered?

4. If representations were made, what was the nature of such and to what effect?

Mr. ROGERS:

(1) The Cuban tariff provides that whole potatoes, of the varieties: Bliss Triumph, Green Mountain, Irish Cobbler, Presidente (Never Rot), certified to be seed, and imported to be used exclusively for seed with formalities and guarantees established by the treasury department, are duty-free when imported from September 1 to January 31 inclusive of each year. Potatoes certified to be seed, cut in pieces, with eyes plainly visible, preserved in ashes or other substances, are duty-free all year. Potatoes from Canada which do not come within the aforementioned categories are dutiable at $10 per 100 kilogs. (220·4 pounds) gross weight, if imported between November 1 to June 30, and $8 if imported during the other months of the year. While there has been no recent change in the actual duty, a Cuban decree gazetted January 18, 1937, not to be enforced pending a further decree, proposed an alteration in the nature of the bond previously required as a guarantee that potatoes would be used for seed. The new decree called for a cash deposit or bank guarantee that the seed would be planted in Cuba within three months. The cash deposit or bank guarantee presumably contemplated the amount corresponding with the rate of duty leviable in the event of the regulations for free entry of seed potatoes not being met. A further decree gazetted January 21 removes any difficulties arising out of the decree of January 18.

(2) Answered by No. 1.

(3) Yes.

(4) A Cuban law of March 15, 1935, provides that countries which purchase from Cuba less than 25 per cent of their sales to Cuba shall be subject to the maximum tariff; if purchasing between 25 per cent and 50 per cent of their sales to Cuba, subject to the minimum tariff, increased by 25 per cent; if purchasing 50 per cent or more of their sales to Cuba, subject to the minimum tariff. In pursuance of this, Cuba as from March 10, 1936, applied her maximum tariff to Canada. except as regards some goods specially excluded from its scope, with the result that the maximum tariff rates quoted above apply to Canadian potatoes not admitted duty-free under the provision for certified seed potatoes. The maximum tariff is twice the minimum.

Representations have been made by the Canadian government to the Cuban government seeking removal of the maximum tariff on the ground that Cuban statistical returns do not give Canada credit for as large purchases of Cuban goods as are shown in Canadian statistics and also that Canada purchases Cuban goods in the United States. Negotiations are still proceeding for the conclusion of an arrangement which will remove Canadian products from liability to the Cuban maximum tariff.

PERPETUAL BOND ISSUES

Mr. ELLIOTT (Kindersley):

1. How many "perpetual bond" issues have been negotiated by the federal government, and for what amounts?

2. What were the rates of interest, and the commissions to brokers on each?

3. What are the annual brokers' commissions for bond flotations for the years 1926 to 1936 inclusive?

Mr. DUNNING:

1. One, $55,000,000.

2. 3 per cent interest rate; commission paid to banks, brokers and dealers—three-quarters of one per cent.

3. Commissions paid to banks, brokers and dealers, fiscal year ended March 31:

1926	$1,318,500 00
1927	730,650 00
1928	....
1929	....
1930	....
1931	1,604,000 00
1932	4,559,449 53
1933	796,485 00
1934	2,602,608 02
1935	2,018,268 96
1936	3,135,476 50

C. P. FULLERTON

Mr. LEADER:

1. When was C. P. Fullerton appointed to the bench: (a) how long did he serve, and (b) what was the amount of salary received?
2. When was C. P. Fullerton appointed as chief commissioner of the Board of Railway Commissioners of Canada: (a) how long did he serve, and (b) what was the total amount of his remuneration?
3. When was C. P. Fullerton appointed chairman of the board of trustees of the Canadian National Railways, and what was the amount of his salary?
4. Did C. P. Fullerton receive a gratuity in addition to his salary as chairman of the above board; if so, what was the amount of this gratuity?
5. Is provision being made for granting a pension to C. P. Fullerton; if so, what is the amount of his pension?
6. Will the receipt of this pension preclude Mr. Fullerton from practising his profession in Canada?

Mr. HOWE:

1. July 20, 1917; (a) until August 12, 1931; (b) $7,000 per year from date of appointment until July 1, 1921, when salary was increased to $9,000.
2. August 12, 1931; (a) until December 31, 1933; (b) salary as chief commissioner was $12,500 per annum; total remuneration received was $27,617.60.
3. January 1, 1934, at $30,000 per annum.
4. Following his retirement as chairman of the board of trustees, he received a remunerative payment of $30,000 from Canadian National Railways.
5. He is entitled to a pension of $6,000 per annum as a former judge.
6. No.

CANADIAN FARM LOAN BOARD

Mr. GOSSELIN:

1. If the loan records of the Canadian Farm Loan Board at Ottawa are not kept by constituencies, or, at least, by counties where registry offices are established, are such records kept by counties at the Quebec branch office?
2. If such records in and for the province of Quebec are not kept by counties at the Quebec branch office, why are they not so kept?
3. If such records in and for the province of Quebec are not kept by counties at the Quebec branch office, is it the intention, (a) to have such records in and for the province of Quebec kept, in the future, by counties, and (b) to have them compiled by counties for at least the years 1935 and 1936?

Mr. DUNNING:

1. No.
2. Records are not required by the board in this form for the purposes of administration and the additional expense involved in maintaining such records has not accordingly been considered as warranted.

[Mr. Dunning.]

NATIONAL PARK, NEW BRUNSWICK

Mr. RYAN:

1. Did the government of the province of New Brunswick notify the dominion government that a site for the establishment of a national park had been selected?
2. If so, what site has been selected?

Mr. CRERAR:

1. No. A parks officer has investigated certain sites suggested by the province for consideration but no selection has been made.
2. Answered by No. 1.

OLD AGE PENSIONS, NEW BRUNSWICK

Mr. RYAN:

1. How many persons have qualified for old age pensions in the province of New Brunswick?
2. Of this number, how many are being paid the maximum amount of $20 per month?
3. What amount of money has the dominion government paid the province of New Brunswick under the Old Age Pensions Act?

Mr. DUNNING:

1. 9,986 (July 1 to December 31, 1936).
2. At December 31, 1936, the number receiving $20 a month was 605. Number of pensions on December pay-lists, 9,617.
3. $559,271.96.

BOOK OF REMEMBRANCE

Mr. PINARD:

1. What progress has been made to date with the Book of Remembrance?
2. How many names have been inscribed therein to date?
3. What is the total number of names to be recorded?
4. Who prepared the official list of names?
5. When is it expected to complete the book?

Mr. MACKENZIE (Vancouver):

1. All materials, with the exception of leather for binding the cover of the book, have been procured and are in stock. The names of all Canadians who died whilst serving with the Canadian Expeditionary Force have been compiled. The names of Canadians who died whilst serving with the British Forces are being compiled. The illuminating of the title and dedicatory pages is well in hand, and the illumination of the name pages has been commenced.
2. 40,140 names have been inscribed by hand.
3. Approximately 66,990.
4. The Department of National Defence.
5. 31st March, 1939.

QUESTIONS PASSED AS ORDERS FOR RETURNS

REGINA RIOTS—COSTS OF INQUIRY

Mr. COLDWELL:

1. What was the total cost to the dominion and provincial authorities in connection with the inquiry into the Regina riots during the year 1935?

2. What was the total cost to the dominion authorities in this connection?
3. What are the names of those who were employed by the dominion government in connection with this inquiry?
4. What payments were made to each of the said counsel, (a) during the fiscal year 1934-1935; (b) during the current fiscal year?

IMMIGRATION

Mr. BERTRAND (Prescott):

1. How many immigrants have entered Canada each month from February 1, 1936, to January 1, 1937?
2. Were they all natives of the country from which they migrated to Canada?
3. What was the country of origin of each such person?

GOLD RESERVE

Mr. JOHNSTON (Bow River):

1. How much gold reserve is held by the dominion treasury?
2. How much currency is issued by each chartered bank?
3. How many loans are issued by each of such banks?
4. How much currency is issued by the Bank of Canada?
5. How much does it cost to operate the Bank of Canada?
6. What is the salary of the president of the Bank of Canada?
7. What are the salaries of all other officials of the said bank?
8. What is the purpose of the Bank of Canada?
9. Who are the presidents of each of the chartered banks?
10. What are their respective salaries?
11. Are chartered banks controlled by a central organization?
12. What principle controls the amount of the issue of such banks?
13. What per cent of currency issued in Canada is backed by gold?

Hon. CHARLES A. DUNNING (Minister of Finance): Mr. Speaker, in asking that this question stand as an order for return, I should like to point out that the information asked for in some of the questions is not in the possession of the government and, therefore, cannot be given. The return will be made as completely as possible.

C. P. FULLERTON

Mr. LEADER:

Was C. P. Fullerton, K.C., ever employed by the federal government, and, if so, in what capacity; (1) how long was he employed; (2) what was the amount of his remuneration?

FEDERAL PAYMENTS TO NEW BRUNSWICK

Mr. RYAN:

How much money was contributed by the dominion government to the province of New Brunswick during the years 1935-1936 for (a) direct relief; (b) dominion and provincial projects to create employment?

MOTIONS FOR PAPERS

QUEENS COUNTY, N.B., PUBLIC WORKS

Mr. BROOKS:

For a copy of all pay rolls showing money expended and to whom paid, on certain public works carried out in the parish of Cambridge, Queens county, New Brunswick: (a) on Humphries wharf; (b) on Motts wharf.

CUMBERLAND COUNTY, N.S., PUBLIC WORKS

Mr. BROOKS:

For a copy of all pay rolls showing money expended and to whom it was paid, in connection with certain public works carried out in district No. 10, Cumberland county, Nova Scotia, in the year 1936, on: (a) breakwater built at Eatonville; (b) public works at West Advocate.

MILL COVE, N.B., POSTMASTER

Mr. BROOKS:

For a copy of all papers, affidavits, evidence, correspondence and other documents concerning the dismissal of Mr. Charles Orchard, former postmaster at Mill Cove post office, Queens county, New Brunswick, together with a statement of cost of investigation showing to whom money was paid.

FISHING BOUNTY PAYMENTS

Mr. DONNELLY (for Mr. Kinley):

For a copy of orders in council relating to the payment of fishing bounty prior to April 26, 1922, and also order in council in effect after April 26, 1922.

SHERBROOKE, QUE., ASSISTANT CUSTOMS AND EXCISE INSPECTOR

Mr. LACOMBE (for Mr. Lalonde):

For a copy of all letters, telegrams and other documents relative to the appointment by the Civil Service Commission of an assistant bilingual inspector of Customs and Excise for the district of Sherbrooke, province of Quebec, and bearing the examination number 25508.

CANADIAN NATIONAL RAILWAYS

RIVIERE DU LOUP—GASPE DISTRICT TIE CONTRACTS

Mr. MAURICE BRASSET (Gaspe) moved

For a copy of all correspondence exchanged between C. P. MacLaren, purchasing department, Canadian National Railways, Montreal and J. A. Romeo Lynch, Matapedia, Quebec, in connection with tie contracts granted by the Canadian National Railways in the district from Rivière du Loup to Gaspé, since 1930 to date. Also a statement showing the names and addresses of contractors and the amount of each contract.

Hon. C. D. HOWE (Minister of Transport): Mr. Speaker, this motion refers to correspondence between the purchasing department of the Canadian National Railways and one of its contractors. It is the practice of the government, in the case of its independently man-

aged corporations, to ask the corporation for the information desired, and to table it if the corporation cares to give it. In this case the Canadian National Railways have followed their usual practice of refusing to give the information sought. I would say, however, that the officers of the Canadian National Railways appear during each session before the special committee on railways and shipping prepared to answer any questions relating to internal management of the railway property and the hon. member can obtain the information at that time.

Motion dropped.

SALMON TRAP NETS

DESIRABILITY OF DISCONTINUING ISSUE OF LICENCES IN BRITISH COLUMBIA WATERS

Mr. A. W. NEILL (Comox-Alberni) moved:

That, in the opinion of this house, the best interests of British Columbia would be served by the government ceasing to issue trap fishing licences in British Columbian waters.

He said: Mr. Speaker, the importance of this matter to the fishermen of British Columbia, the urgent need for immediate action, and the fact that there is an international angle to the situation is I think justification for my bringing the matter up at this time.

May I digress for a moment to suggest to the government that the business of this chamber would be expedited and the consideration of such matters as the one before us even better undertaken if we went back to the old custom when the present leader of the government was in power a number of years ago, when it was usual for the Minister of Fisheries or the chairman of the fisheries committee to move at the beginning of the session that the report of the fisheries department be referred to the committee on fisheries. In that way we would be able to bring before that committee practically any matter connected with the fishing industry without its having to be formally referred there by this house. If some member brought before the committee a grievance that found few sympathizers in the committee the matter ended there and the house was not troubled with it, but if the grievance was shown to be a substantial one the committee would bring in a report to be dealt with in the house. But the rule now is to consider nothing whatsoever in the committee that has not been referred to it by the house. That forces members who have a matter such as I have before me to bring it up here for discussion in a superficial way before members many of whom are not interested in the subject, and then perchance have it sent to the committee where the performance has to be gone through all over again. It would save the time of this house if we were allowed to discuss these matters originally, so to speak, in the committee.

Coming to the motion now before the house, I shall endeavour to be as brief as possible. There are four major methods of fishing salmon in British Columbia—trolling, gill netting, purse seining, and trapping.

Trolling, which must not be confounded with the system of trawling as practised on the Atlantic, is always done by one man in a small boat; it might be a row boat, but the great majority of them are boats from eighteen to thirty feet in length, powered with an engine, and the boat is kept moving along slowly, dragging behind it from five to seven lines with baited hooks attached to catch the fish. In that way they get the best quality of the particular kind of fish that they can fish for, and they get the best market, as principally it goes to the fresh fish market. I think it is safe to say that in that way there is a bigger return for the individual fisherman per fish than there is by any other method that we practise out there. The trolling is restricted by certain difficulties. First of all, only two or three varieties of salmon will take the hook or bait in that way. Secondly, the weather very often prevents them fishing for three or four days at a time. Thirdly, even when they are fishing they are limited, because the fish will bite at only certain hours of the day. Their gear naturally occupies a very small space; that is to say, the width of it, if they are running through a school of fish, would be only twenty or thirty feet, so there is no possible fear of the fish being depleted by means of trolling.

The next method is that of gill nets, which is very often done by the same men in the same boat at a different season of the year. They have a long net which is buoyed in an upright position by floats, and it drifts down with the current or the tide. The mesh is made of a size that when the fish endeavour to go through they will be caught by the gills, and so they are taken. The government by regulation says that the mesh shall be such that only the biggest and finest fish are taken. The length of the net is very strictly defined. They can fish only at night, —not by law, but that is the only time they can operate. There is a forty-eight hour close season each week, with power to the chief supervisor to extend it if necessary to a greater number of hours. They are allowed to put a net only so close to another—I think they must be one hundred yards apart. So it is obvious that there, too, the fish have an

ample chance to escape. It is recognized that both these methods permit the salmon every opportunity to get away. The policy of the government for many years past has been to encourage this and rather to curtail fishing by means of seines of which I will speak in a minute. But of course they are conscious of the fact that certain waters under certain conditions can be fished only by means of seines.

The next method is that of purse seines. They use larger boats with a crew of as many as seven men. They have a large net, 200 fathoms long—nearly a quarter of a mile. They fish almost entirely by day. When they see signs of a school of fish they let out the net and make a wide circle, bringing the end of the net around to where it started from. Then they hastily pull the purse part of it, that is the rope at the bottom, which closes in the fish, otherwise the fish would dive and escape the net. It is something like the old-fashioned lady's coin purse that used to be used. Suppose the fish are schooled, that is gathered together, and are at the mouth of the river where they are getting ready to go up and spawn; if there were nothing to prevent it the fishermen would go right to the mouth of the river and ruin the catch in one year—certainly in two, because they take practically ninety per cent of the fish—and it would be ten or fifteen years before the run would recover. Consequently the government makes rules to prevent the seines from going within half a mile of the mouth of the river, and in some cases debar them for as far as two miles. They may take a few score or several thousand fish at one turn of the net, and they take everything that is inside the net—trout and every other kind of fish that happens to be there. Consequently the government saw fit, and properly so, to put heavy restrictions on these operations. The fishing can be done only by daylight: that is not a regulation but a fact, because they cannot fish by night. They have a forty-eight hour weekly close season imposed on them, and more if deemed necessary. They are not allowed to tie their nets to the shore, which would multiply by a hundred per cent their ability to fish, as traps do; and if they do so they are liable to a heavy penalty and their boat and gear are confiscated. They are allowed only twenty minutes from the time their net touches the water until it must be closed; if it is open beyond that time they are subject to a penalty. All this is calculated to restrict their activities and give the fish, or at least some of them, a fighting chance to escape. The length of the net is very sharply defined; so is the mesh, and the superintendent can close their operations at any time on the most summary notice; he can declare a whole area closed to seine fishing.

Now we come to traps, and that is a very different picture. There the butter is all on one side of the bread. Fish traps well located are the blue ribbon of the fishing industry. What a marshal's baton is to the soldier, or the supreme court bench to the lawyer, or the senate to the politician, so is a well established fish trap to the fishermen of the Pacific coast. Of course these paradises are hard to achieve entry into. The scripture says "many are called, but few are chosen." Perhaps I might paraphrase that by saying that many call and only a few can be chosen. However it is the one highest ambition, the blue ribbon of the industry, to get hold of a well located fish trap site. It is generally admitted, perhaps not by those who actually use it, but even by those who would like to get one, that it is a most destructive form of fishing. The owners call it "effective," which it undoubtedly is; other people call it ruinous. It takes everything and leaves nothing behind it. There is no escape. Once a fish gets within half a mile in front of one of these traps there are only two ways by which he can evade the trap. One is by climbing around it at the end, by the shore, on the land, making a portage around; the other is equally impossible, in so far as the instinct of the salmon is involved, that is to turn and go back, because the salmon are full of the homing instinct to go on to the river or the creek where they will spawn, and nothing will divert them from that. If they cannot go forward they will stay there and die, for they certainly will not go back.

The trap is built right out from shore as no other gear is. It is pegged out by a row of poles driven in the ground, and hung with a heavy net—in many cases a wire net—closely meshed so that it is impossible for the salmon to get through it. There is no limit to the length they can go out; they can go a mile if they like, provided it is convenient. When the fish come along there is a solid wall that obstructs their progress. Usually it is put at a headland, where the fish are going along hugging the corner, much as a man will do who is driving along a road and, turning to the right, naturally keeps to the right side of the road. So the fish, hugging the headland, run up against this obstacle. They try to go through it; they nose along, go, say, to the left, and run against the shore; then they turn to the opposite side, the right, and nose along, pushing, pushing, trying to get through, following their instinct. Presently

they come to a nice open space, with no apparent obstruction. Naturally they go in there, thinking they are getting along, and presently they find themselves in the pot of the trap, in the centre of a maze from which there is no escape whatever. And that is the end.

These traps are "lifted," as it is called, once or twice a day. Sometimes they take ten thousand fish in a lift, and it has been known to go as high as thirty thousand. But even at ten thousand, with two lifts a day, and only four or five men being employed, is it to be wondered that there is agitation and prejudice, in these days of unemployment, among those interested in the fishing industry in British Columbia against such methods? It would take two hundred trollers to catch that number of fish. And they take everything; there is no discrimination: small, immature fish—all go into the trap. The other means of gear can fish only twelve hours on account of the weather, or between daylight and dark, and those operating them have to go out and find the fish, which may take half of their open hours, but the trap owner need only to sit tight and wait and the fish will come to him twenty-four hours of the day. The gill netting and seining have a forty-eight hour restriction per week, and so has the trap; but the others are liable to further restrictions, and the trap is not. Some years ago it was found necessary to have a complete ten days' shut-down in the middle of the season on gill netting and seining on the coast in order to encourage conservation, but it did not apply to this favoured method known as trap fishing.

I said it was effective, and so it is. So is a gun in the hands of a madman very effective. It has been said that it is cheap. Well, it is cheap—it is cheap if you care not for the conservation of fish or for the maintenance of the fishermen employed in the industry. So is an automatic shot gun cheap and effective, but you are not allowed to use one when you go duck-hunting. A machine gun would be effective against deer and bigger game, but you are not allowed to use one. Why are you not allowed to use salmon roe as bait for trout? Because it is recognized to be so effective that it would not give the trout a chance; it would not give them an even break, so to speak, and it is therefore forbidden by law.

I might mention the views of someone else, because sometimes an outsider's view is more readily accepted than the opinions of those who are interested. The salmon industry of Alaska is an enormous one, and before the last change of government it was supervised by one man, a man named O'Malley. He was a very able man, and I have a note to the effect that it was his intention to close fifty-one traps in southeastern Alaska that year. In his opinion, he said, he might find it necessary to close down the whole lot of them there. Then the government changed and a Mr. Frank Bell took over Mr. O'Malley's position. He was a man with a new angle and this is what he said:

> Fish traps for the taking of salmon were described here by Frank Bell, United States commissioner of fisheries, as the "most vicious type of gear in operation."

That is pretty plain, and that is not my idea.

> —because they are driven along the shore lines in locations where they may interrupt the runs of salmon twenty-four hours a day.
>
> "It is only a question of time until they must be eliminated entirely or regulated, so they will not be so destructive," he said.
>
> "I have already closed 100 of the 400 traps operating in Alaskan waters during my first year in office, and I am in favour of eliminating them all.

Further on he says:

> By giving the seine fishermen a chance, we will be giving work to hundreds who have been practically forced to the wall by the traps. Two men with a trap can catch as many fish as twenty-five men with a seine.

It is so generally admitted to be a bad thing that the dominion government have forbidden the use of traps except along the Sooke shore. An attempt was made in 1929 to open them again and a debate took place on the subject. That debate can be readily referred to if hon. members will look up Hansard of June 10, 1929. There was considerable discussion in which members from various districts took part, and all, regardless of political affiliations, and representing parties in every part of the house, made such a vigorous protest against the use of traps that the government abandoned the idea of reintroducing them, with the exception of those along the Sooke shore. I will explain why they were permitted at Sooke.

The large body of sockeye salmon going into the Fraser river come down the west coast of Vancouver island, and down the Juan de Fuca straits between British Columbia and the American side. At first they come down along the territory known as the Sooke shore and then for some reason they strike across from there to the other side of the straits and move along the American shore for a considerable distance. They do not go up the American rivers, however; they are still Fraser river fish and they go nowhere else. That is where the Americans put their traps for our fish, and the average, for the years 1933 and 1934,

was 219 traps. Then what is left of our salmon come back into our territorial waters, going into the Fraser river. In the last year of which there is record, when they were running their traps—and this was the usual average—United States traps took from seventy-two to seventy-nine per cent while British Columbia fishermen took from twenty-one to twenty-eight per cent.

The Americans naturally took advantage of their geographical position, and it was therefore felt that if they were to get seventy-nine per cent of the fish it would be better to allow our fishermen to catch some by traps along the Sooke shore. For that reason the traps were allowed to remain at Sooke. Still, we did not like the idea of the Americans taking seventy-nine per cent while we got the rest, but there was nothing that we could do about it. Diplomacy failed and at last common sense sought the remedy. Our fishermen fraternized with the Americans on common ground beyond the three mile limit and said to the Americans, "If you will agitate for the abolition of traps on your side we will do the same." The Americans did so and they were more successful than we were. It was up to them to take the first step, and in the fall of 1934, by means of the initiative, they passed a law forbidding the use of traps in those waters —one of the few instances in which the principle of the initiative proved to be a good thing. The powerful vested interests which we hear so much about may be able to lobby a legislature but they cannot lobby a whole state, and the result was that the bill went through like lightning before these people knew what was happening. As soon as that was done I tried to get our traps cut out for 1935-36. The late government hesitated, waiting to see whether the Americans would really withdraw their traps, and therefore I could not get action taken either in 1935 or in 1936.

We know now what effect the withdrawal had. Two things resulted—conservation of fish and profit to our fishermen. Let me give you an illustration. I have taken the two last years before the United States gave up their traps and the next two years immediately thereafter; that is to say, the years 1933 and 1934 when they had traps as compared with 1935 and 1936 when they had not. I will not trouble the house with detailed figures; I will simply give the results. The total catch of Fraser River sockeye salmon, including what was taken by our traps at Sooke, what was caught by our fishermen in the Fraser river, and all that was taken in the American waters by seine and by traps, where traps were formerly in use, represented —in the two years when traps were not allowed on the United States side—a decrease of forty-five per cent. In other words, forty-five per cent less was taken in the years when the Americans had given up their traps than in the two years before that. It may be said that this makes for conservation at the cost of employment, which would be undesirable; but that is not so. Let us look at our side of the question.

I have a record of the fish we took in the years when they had their traps and in the years when they had no traps, and our fishermen, according to this record, took exactly twenty-six per cent more when the traps were not running on the American side, because the fish got through into our waters again. So that we find the total catch reduced by forty-five per cent, while our British Columbia fishermen and canneries got twenty-six per cent more. That is rather profitable, is it not?

We have had numerous petitions on the subject; I had one some years ago.

Mr. TOLMIE: What were the years mentioned by the hon. member?

Mr. NEILL: The years 1935 and 1936 as compared with 1933 and 1934, the two years after the traps had been abandoned as compared with the last two years during which they were in operation. Some years ago a petition was drawn up, signed by 1,500 fishermen and presented to the government of the day, asking for the abolition of traps. The government refused owing to the situation that I have outlined and which has now ceased to exist. And that is my argument. Then I have resolutions passed by the Kyuquot Trollers' Cooperative Association, one passed in June, 1935, at their annual meeting and one passed this last year. This is a very fine, energetic cooperative body, having 288 members, all owning their own boats and gear. I read the second resolution:

> Whereas the salmon traps are the most destructive fishing gear in use, by intercepting the entire shoal of salmon, not ensuring a proper escapement for spawning, and by destroying immature and yearling salmon, bottom fish and any species of fish that may run foul of their leads;
>
> And whereas a trap licence is an exclusive privilege to fish a certain location twenty-four hours a day;
>
> And whereas other types of gear are licensed to fish in waters open to all, and with frequent closed periods for conservationary purposes;
>
> And whereas the district of Sooke where the only traps in British Columbia now are located would afford ideal fishing grounds for seiners, thus increasing employment;
>
> And whereas all Puget Sound, Washington traps are now eliminated;
>
> Be it therefore resolved that all salmon traps be completely eliminated.

I have a similar resolution passed by the Pacific Coast Fishermen's Union, British Columbia section. They have a local in Vancouver numbering, they say, 800 fishermen, and they have locals up the east coast of the island as well. They take the same line, and I shall not repeat that portion; it is practically the same. They point out that the traps were taken out by the Americans for purpose of conserving the sockeye run, so why are they allowed to operate in British Columbia waters? A hard question to answer. And they say that if the traps are made legal again in Washington it will work a hardship on both Washington and British Columbia fishermen. Then they deal with employment. They say:

> At present the operation of traps on the west coast of Vancouver Island employs about forty workers...There are no fishermen operating in the immediate area of Sooke, where the traps are located, owing to their being unable to market their fish to the company owning the traps, who will not buy any fish from an individual fisherman, as they can get the fish from the trap much cheaper. At the present time if the traps were not operating there would be ample fish caught by fishermen to supply at least two hundred fishermen with a decent livelihood and a fair return for their work and capital investment for the year round, instead of having a few that are seasonally employed as now.

Concerning conservation they say:

> Owing to the peculiar make-up of a trap net, all sizes and species of fish are caught, from the smallest to the largest. As the canners are only interested in the salmon for canning, it is a fact that many scowloads of ground fish, herring and pilchard are taken from the trap each year and are killed in the operation of cleaning the trap. This is the case with young salmon that are too small to be canned, and all these fish are taken to deep water and dumped. This in our opinion is wanton and useless waste of our natural resources.

For these reasons they ask that fish traps be abolished. And of course I have others, I am only giving illustrations.

This is our last chance. The legislature of Washington state is now sitting and there is active propaganda of the most intensive character being waged there to have fish traps again allowed. It is inevitable that that law will be repealed and the traps allowed again if we do not let it be known very shortly that we are going to meet them half-way and play the game. Half-way is a ridiculous statement, considering that we would be cutting out four traps this year, five last year on our side, and 219 were done away with on the American side. We are only asked to do the same as they are doing. We have so much to gain and so little to lose by meeting them. Pressure is being brought to bear on that legislature, according to my information, and the strongest argument they can bring is that they made a gesture to Canada and Canada has not responded. It is not a breach of treaty; there was no bargain; it was just a gesture, but we have not responded. We recall other cases where nations made a gesture, in the way of reciprocity in tariffs or disarmament, and when the other party to whom the olive branch was held out did not respond it always resulted in resentment and in the nation making the original gesture going back to conditions more drastic than before. And so it will be here.

Another point. We are negotiating now and have been for years to make a reciprocity deal with the Americans in regard to the Fraser river, to take joint action along certain lines for the conservation of the fish. There are firebrands on both sides of the line, people who for their personal advantage are quick to make use of any passing prejudice. There are men on the other side of the line who will be quick to use this argument and say: They threw us down about the traps at Sooke; we can't trust perfidious Albion; do not make a treaty as regards the Fraser. It certainly would have a bad effect in respect to that. If we fail to act in this matter now, and the Washington legislature repeal their legislation, the blame will rest on this government or on this house.

There is one thing more, and I commend it to the notice of the Minister of National Defence (Mr. Mackenzie), who is British Columbia's representative in the cabinet and responsible to us in British Columbia for the cabinet. I tell him this: if we allow these traps at Sooke to be continued in spite of the fact that the Americans have done away with the traps on their side—and they were allowed only because of the traps on the American side—if we do not follow suit, if we allow the traps to stay there, in logic and reason we cannot refuse traps all over British Columbia. I have letters and correspondence and resolutions from the canners' association, asking to be allowed to have traps all over British Columbia. The government is not now in a position to say: We will draw the line and forbid traps all over except at Sooke, but will allow them at Sooke alone; because now there is no justification or excuse for having them at Sooke. Therefore if we continue to allow them at Sooke we will be asked to allow them all over British Columbia. If we do that it is not a question of throwing a few men out of employment, a dozen or a score or a hundred; it is a question of 11,000 men, because the whole fishing industry will then be carried on by means of traps. This is the

point to which I want to direct the attention of the Minister of Defence. With the shadow of war hanging over us, as it is to-day and all the time, in the east and elsewhere, the minister will surely take a little comfort from the fact that he has on that Pacific coast, fronting the far east, a comparatively large number of fishermen who are loyal to Canada and who are familiar with every bay and headland in that area. They know where every rock is, every bar—bars of gravel or sand I mean; possibly they know of the other kind too. Their local knowledge is invaluable. They know where to put mines; they know how to aid our warships or obstruct those of the enemy. If this thing goes through and traps are allowed all over, those men are put out of business, and you cannot bring them back in a day or a month. What does the poet say?—

> —a bold peasantry, their country's pride,
> When once destroyed, can never be supplied.

When our day of tribulation comes it will be too late to say: We wish we had treated these fishermen in such a way that they could have maintained their position and usefulness in case of need. If we surrender to this demand for traps, and these men are wiped out, you cannot get much loyalty from a trap built of piles and wire netting. In time of war a fish trap is not of much use as a weapon either of offense or of defence. To some it may seem that I am exaggerating, or trying to be melodramatic, but it is not so. We who live on the Pacific coast know how familiar with our shores are certain powers fronting on the Pacific, and we know how desirable and urgent it is to maintain a white front line on that ocean. Therefore I urge the government, for these and many other reasons which I could mention if time permitted, to make a pronouncement immediately so that it may have its effect on the legislature sitting in Washington state and induce them to continue their ban on traps.

As I have said, we have everything to gain and so little to lose. A few men will be put out of work, yes; thirty or forty men will be put out of work, but hundreds and hundreds will get work instead. The fish must be caught; they will not be allowed to run away. Other lines of fishing will take the place of this. It will be argued, I know, and I may as well anticipate it, that there is a cannery at that point which exists solely through this type of fishing, and which would go out of existence if the traps were taken away. That is rather a curious thing. They have a privilege which is denied to every other cannery. There are some forty-eight canneries operating in British Columbia; forty-seven of them can exist without traps, but one, and one alone, says that it will go down to ruin and financial destruction if it is not permitted to retain this privilege which it has enjoyed for so many years, in fact since 1904. Is that not about long enough to have a privilege? I will admit that the argument might have been sound that since the fish were going to be taken on the American side in any case they might as well be taken on our side, but that argument does not exist any longer. Therefore it is up to us to adhere to the working fishermen, the white fishermen, rather than to a steel trap.

Hon. H. H. STEVENS (Kootenay East): Mr. Speaker, with very much that has been said by the hon. member who has just taken his seat (Mr. Neill) I am in hearty accord, but I think it would be unfortunate if the decision of the house were to be based upon the case as presented by the hon. member for Comox-Alberni. One or two points made by the hon. member, I think, should be elucidated a little further.

For instance, the hon. member undoubtedly left the impression that traps operated in competition with the trollers. He repeatedly stated that it would take two hundred trollers operating with their boats to catch a similar number of fish, but he very unfortunately—I will put it mildly—avoided saying that trollers do not catch the same kind of fish that are caught in traps. The traps catch very largely the fish that school, the sockeye, the humpback and the pinks, whereas the trollers catch the spring salmon, chiefly steelheads and a very limited number of types that will take a bait. The sockeye salmon will not take a bait, nor will the pinks, so that these traps do not affect the trollers in that respect, that is, the traps to which the hon. member has reference, near Sooke on the west coast of Vancouver island.

Another point to keep in mind is that the discussion of 1929, to which the hon. member has referred, was in connection with the proposed introduction of traps in northern British Columbia. The subject was keenly debated at the time, and many of us took the ground that it would be perhaps unfortunate if a general policy of traps were adopted in northern British Columbia, though I am bound to say that in one or two locations, where the geographical or physical conditions were of a certain type, there was some justification for the use of traps. But that issue has been disposed of. Then we come down to the Fraser river run, which for many years has

been the subject of a great deal of discussion. There is no question as to the accuracy of the hon. member's observations when he says that the large number of American traps, located as they were in the shoals along the shore immediately south of the mouth of the Fraser river, did contribute very seriously to the depletion of the fisheries of that river. Another thing we should bear in mind, however, is that the agitation a few years ago for traps in that area was for traps on the Canadian side close to the location of the American traps, and again I say that as far as that is concerned I am in entire accord with the hon. member.

I was under the impression that there was only one trap at the point to which my hon. friend has referred. The hon. gentleman says there are four. That is something that can be ascertained without difficulty; no doubt the minister will be able to say just how many traps there are. As I say, it was my impression that there was only one, operated by one of the oldest fish packing companies in British Columbia, the Todd Fisheries, on the west coast of Vancouver island, that is, in the straits and in the lower part of the west coast, a very long distance indeed from the mouth of the Fraser river. This cannery is so located that there is virtually no other type of fishing that could be resorted to in order to serve it, in that isolated spot. I assume there is the possibility of using purse seines, but my hon. friend has been just as vigorous in his denunciation of purse seines as he has been of traps, and again to a certain extent I agree with what he has said. But I think in all these matters we must look at the situation taking into consideration all the factors that are involved. If this trap, or these few traps, located at this particular place, constituted a distinct menace to the continuity of the fisheries of the Fraser river, I should not hesitate a moment to urge their withdrawal, but I am not at all persuaded that such is the case. On the other hand, as the hon. gentleman admitted, this form of fishing at this particular location has been in vogue for nearly forty years, and it is a drastic proceeding to come forward now and suggest that, because we favour the general policy, in this particular instance we should deny the company the right to operate these traps or this trap, as the case may be.

Reference has been made to Alaska, and here again, I find myself largely in accord with what the hon. member has said. It is quite true that the institution of traps became a menace to the fisheries of Alaska, but there it was a case of the wholesale construction of traps. Some four hundred of these great traps were in operation in Alaskan waters. I frankly admit that such a wholesale operation did constitute a menace to the fisheries. I share my hon. friend's views in regard to Mr. O'Malley, one of the most outstanding authorities on salmon and other fisheries on this continent for many years. Mr. O'Malley took a stand against these traps, but only in the latter days of his long term of administration. In the earlier years he did not recognize the menace, and did not do so until the multiplicity of traps, to the extent of some four hundred, had become a very serious menace. Later his successor did much to eliminate many of the traps, although I am under the impression that some two hundred are still operating in Alaskan waters.

The hon. gentlemen has stressed the international point, and I think perhaps that is the one part of his address that merits very careful consideration. I would suggest to the minister that all the facts of the case might be very carefully studied, and if one operation of this kind constitutes a threat of international discord, naturally the government must take it into consideration. But I cannot conceive of that being the case. I would not want the house to get the idea that this is a case of introducing a wedge. This operation has been carried on for forty years and it is necessary for the successful working of the cannery. The company operating this cannery is one of the oldest, one of the most reputable and in every sense one of the most admirable concerns in the province. I do not think there is anyone, no matter what his prejudices may be, who can make any criticism of the Todd company. It is controlled by an old established family in British Columbia, which has operated this business from early pioneering days down to the present time in a very humane and decent manner. I am quite confident it will be found, to use a colloquialism, that the relations of this company with labour are as sweet as those of any other company.

There does not seem to be any real argument for the elimination of the trap in this particular case. Before the minister or the government makes a final decision I would suggest that the matter be calmly and fairly considered. In order that there may be no misunderstanding, may I say that I am strongly opposed to the adoption of trap fishing in a wholesale way or the issuing of permits for new traps in other areas. I endorse the views of the hon. member in that respect, but I cannot agree with him when he applies a general discussion to an individual and particular case.

Mr. THOMAS REID (New Westminster): Mr. Speaker, as seconder of the motion before the house I feel it incumbent upon me to say a few words in support of the resolution introduced by the hon. member for Comox-Alberni (Mr. Neill). The hon. member has covered the matter so well that very little remains to be said, but there are one or two points which I think should be emphasized still further.

First of all, I should like to reply to the hon. member for Kootenay East (Mr. Stevens). The hon. member stated that if he was convinced that the abolition of traps would help the fishing industry along the Fraser river, he would be in favour of their abolition. However, I think the gist of his remarks was to the effect that he could not depend upon what had been said in the house this afternoon to convince him that abolition of traps would help the industry. Whether he is willing to take the word of the member for New Westminster I do not know, but let me assure him, as one who has made a considerable study of the matter during the past year, that the operation of traps is taking away the livelihood of our fishermen. I have been told that this is a fact and by every fisherman with whom I have discussed the matter, either publicly or privately.

It is true that traps were in operation for many years by American interests in the Puget sound, but we on the Canadian side have always advocated the abolition of all traps, both on the American and Canadian sides. Since traps have been abolished by the American interests there has been a noticeable increase in the catches of all varieties of fish by the Fraser river fishermen. Those of us who have given any study at all to the matter know full well that the traps catch not only sockeye salmon but every other variety of fish that happens to enter the trap. I do not think the minister will dispute the fact that the trap at Sooke and those formerly across the line catch all varieties of fish. Many immature fish are taken in these traps, which are either placed on the market in some form or other or taken out and destroyed.

Like the hon. member for Comox-Alberni, I should like to see this matter referred to the fisheries committee for discussion. I realize that it is not possible to go into every detail and aspect of the situation at this time, but I think the whole situation could be covered succinctly under three headings: first, the conservation of fish; second, the greatest good to the greatest number. In these days we are looking for increased employment and this cannot be achieved by maintaining the trap at Sooke to which the hon. member referred. I do not think we should follow the Japanese method. Japan has had no thought at all of the conservation of fish and their fishing banks along their coasts have been almost entirely depleted. They went into fishing in a ruthless manner and paid no attention whatever to the manner of catching or different ways of conserving the fish. Their one thought was for profits. I am not unmindful of what the hon. member for Kootenay East has said with reference to the particular firm that has been referred to. He tells us that it would be bad to do anything against this very reliable firm, which has been in existence for some forty years, but I would rather have heard him stress the conservation of fish and the employment of greater numbers of our fishermen. If it was thought desirable, I could place on record figures to prove the statements I have just made.

I should like to say one word with reference to something that took place last year which very much pleased the fishing industry in British Columbia as a whole—and I do this without the consent of the minister. In 1936 the minister was good enough to pay a visit to British Columbia with the object of looking into our fisheries and obtaining first hand information thereon. I think the minister has seen more of British Columbia than any other cabinet member has seen of it since confederation. It was my privilege to be with him at that time. We travelled some 1,400 miles by water, and the minister was always eager to see everything that could be seen in the time at his disposal.

It was our privilege to visit one of the traps in Alaska, located at Hidden inlet. This trap is operated by American interests, and at the time we visited it there were between 7,000 and 8,000 sockeye salmon in the trap. We witnessed the bailing or brailing out of the fish, as they call it. A boat brought a scow alongside which already contained about 60,000 sockeye salmon and into which these additional 7,000 were put. I should like to relate to the house a little incident which occurred in connection with this trap. The trap was located a considerable distance from shore and two employees of the company were set to guard it. The manager told us that they were forced to keep a patrol boat in operation to watch the men. That seemed rather strange, but he told us that as the fish were caught in such large numbers, if the two guards were not watched an attempt might be made to bribe them. He stated that it would be possible for a boat to draw alongside and take two or three thousand fish from the trap and they would not be missed at all. After

some years experience they had come to the conclusion that it was harder to bribe four men than it was to bribe two. I think this illustrates also the fact that great numbers of fish are caught in traps. We in British Columbia were more than pleased with the minister's visit, and he deserves to be highly complimented upon the extensive and exhaustive study he made of the Pacific coast fisheries in 1936. I feel sure he is just as fully aware as any of us of just what the traps mean to the fisheries of the Pacific coast.

I repeat, Mr. Speaker, that I should like to see this matter placed before the committee on fisheries where many aspects and details of the question could be gone into which have not been fully touched on here and which perhaps could not be very well discussed on the floor of the house. I also support what the hon. member for Comox-Alberni has stated, that it would certainly lend weight to the arguments which could be used across the line as they can now say: The Canadians are using traps now, and we are not.

A strange state of affairs existed last year as a result of the abolition of the traps in United States waters. As is well known, there was a conflict of interests between the seine fishermen and those controlling the traps, and it was partly the agitation of the seine fishermen, I believe, that brought about the abolition of the traps in United States waters, they believing that if the traps were eliminated the seine boats would catch more fish. Last year, however, the seine boats were practically idle; the traps were not in operation, and the seine-boat men discovered that the poor results were due to the schooling up of the fish, their attention being diverted from their true course by the traps, which was what enabled the seine boat owners to catch the number of fish they did. There might well come now an agitation from the seine-boat men to replace the traps in United States waters, and we do not want them to be able to use the argument: The Canadians are using traps, and we are not. In the interests of the conservation of fish, not only sockeye but all varieties, in the interests of the greatest good to the greatest number, and for the well-being and welfare of our whole cannery industry, I am certainly in hearty accord with the motion that has been introduced by the hon. member for Comox-Alberni, and I trust that the last trap fishing will be done away with.

Mr. C. G. MacNEIL (Vancouver North): Mr. Speaker, I merely wish to indicate my support of the resolution introduced by the hon. member for Comox-Alberni (Mr. Neill).

[Mr. Reid.]

My remarks will be based on representations made to me by practically every organization of fishermen with which I have had contact, and on the expert observations of those who have studied the habits of fish and know the needs of the fishing industry in British Columbia, all of whom seem to be in unanimous support of the purpose of this resolution.

Some time ago it was indicated that the minister intended to issue no further licences for trap fishing in British Columbia, and that announcement was greeted with general approval in all quarters. Viewing the question from the standpoint of conservation, as the majority of the fishermen do, to me it would seem most advisable to discontinue the issuance of licences for trap fishing in British Columbia.

The hon. member for Kootenay East (Mr. Stevens) seems to be under some misapprehension as to the species of fish that are caught in the traps. I have before me a copy of the last report of the Department of Fisheries, and it indicates that the traps catch sockeye, spring salmon, bluebacks, steelheads, cohoes, pinks and chums. I have also reason to believe that other fish, such as herring and immature salmon, are caught in the traps, and they are thrown aside.

Mr. STEVENS: I never questioned that. My point was that the class of fish that will take a trolling bait is a different class of salmon from those that will come into the trap. The sockeye, which is the main class of fish, and the pinks, will not take bait and therefore cannot be caught by troll. That is the only point I made in that respect.

Mr. MacNEIL: These fish are caught by the gill netters many thousands of whom are depending on the fishing industry for their livelihood.

I have here also the report of the experts on the migration of the adult sockeye salmon in Puget sound and the Fraser river, issued by the bureau of fisheries of the United States government. It shows that the route most commonly followed by the adult sockeye salmon proceeds from the strait of Juan de Fuca across Washington sound to the salmon banks and Whidbey island, then through Rosario strait and the southern part of the strait of Georgia, past Point Roberts to the mouth of the Fraser river. That indicates very clearly to those who are familiar with the coast that the traps which were in operation in the Sooke district were in a strategic position to intercept the movement of sockeye salmon towards the mouth of the Fraser.

Fishermen who have studied this question tell me that as the leads into the traps extend from the shore approximately one-half to three-quarters of a mile it does seriously intercept the movement of the fish. It is true that the mesh is of such a size as to permit the escape of the smaller fish, but the experts say that the fish, even though they may be able to escape through the mesh, have such habits as lead them to follow the line of mesh and either enter the mouth of the trap or wait at its entrance.

It is true that the traps are closed at certain periods each week, but it is also true that the fish following the shore line, as indicated by the hon. member for Comox-Alberni, also follow the leads to the trap and lie in wait, as it were, and remain there for several days. So that even though the traps may be closed for certain periods during the week, the minute the traps are opened the fish enter, and no distinct benefit is obtained by the closing of the traps over the stipulated period.

Others inform me that the traps lure fish of different species and during the spawning season some which are livelier than others damage those less lively in their efforts to escape. At certain times of the year when the traps are lifted many fish are found seriously mutilated and damaged, and the owners of the traps are compelled to discard them. There is serious waste in that regard. Also they inform me that herring are caught—small fish which have not yet attained to their full maturity. There again the operation of the traps violates well known principles of conservation within the fishing industry.

I have another distinct objection to the traps as operated in British Columbia, and it is that the very nature of their operations has tended to constitute a monopoly. It is true, as the hon. member for Kootenay East has stated, that the firm which has enjoyed this privilege in recent years is a reputable one; nevertheless all the eight licences which are actually operated have been virtually under the control of that one firm, Todd & Sons, of Victoria. Possibly licences might be issued in the same district to other interests, but when you consider that the erection of a trap costs from fifteen to twenty thousand dollars, and that these traps can be erected only in strategic positions, now allocated to the Todd interests, it will be readily seen that there are few in the industry who would dare to compete with them. They have enjoyed this particular privilege for some time, and we have reason to believe they have reaped enormous profits from it.

It is true that some persons are employed in the canneries and the operation of the traps, but I agree with the mover and the seconder of the resolution that the number so affected is out of all proportion to the number of those whose interests are damaged to a very marked degree by the operation of these traps. Admittedly only eight licences have been issued during the year 1935-36—I believe they were continued during the last season—but in my opinion the principle is wrong. If licences may be issued for eight locations to one firm, there is no logical reason for objection to the issuance of trap licences to other interests in other locations in British Columbia. Inasmuch as traps have been abolished in American waters, under a virtual agreement, as the mover of the resolution stated, they should also be abolished in Canadian waters. It seems to me that we have arrived at the point where we might quite properly urge upon the minister that no licences for the operation of traps be issued in the future.

Hon. S. F. TOLMIE (Victoria, B.C.): I have listened with a great deal of interest to what has been said on this subject, which is familiar, or fairly so, to all British Columbians. We have heard that the opening up of the traps on the American side will depend to a great extent on whether we have traps in British Columbia. As a matter of fact we have, I think, four or five traps in operation this year. I do not agree with this contention. In my opinion, when the Americans find out what the result of closing their traps really amounts to, and decide to open them, they will certainly have them wide open, quite regardless of what we on the British side of the line think about it.

It has been stated here that traps have been practically eliminated in Alaska. I know that traps were introduced there and that, as was stated by one of the previous speakers, they were operated in an extravagant way, with the result that the production of fish was jeopardized. But we should take note of the opinion of the present United States commissioner, Mr. Frank T. Bell, who has stated that he has seen no need of so drastic a step as the abolition of traps, that such action would work great hardship on the industry. Mr. Bell also states that the outcry against traps comes largely from individuals who want to avoid the effects of any competition with their own particular type or method of fishing.

The hon. member for Comox-Alberni (Mr. Neill) said in his opening remarks that in this trap business the butter was all on one side of the bread. I quite agree with him. If we close the traps in Canadian waters the butter will be on the other side, because

the Americans will get all the fish and we won't have a chance at them at all.

It has been stated also that in traps small fish are destroyed to a great extent. At Victoria, the nearest market for the fish from the traps at Sooke, certain varieties of fish are marketed which are not suitable for canning; they are disposed of not only in Victoria but also in Vancouver and other markets near by at reasonable prices, making these valuable food fish available for all the people.

The hon. member for Comox-Alberni also stated that after the American traps were closed the increase of fish in the Fraser river was very marked, particularly in the year 1936. Let it be remembered that the salmon, as they enter the strait of Juan de Fuca in search of the Fraser river, swing over to the north on the Vancouver island side, thence directly to the American side, where they are caught by American seiners and fishermen and, in the case of traps, by the trap owners. In 1936, for a reason which nobody has yet explained, although perhaps to-day I may have one to offer, the great bulk of the fish, instead of coming in by way of the strait of Juan de Fuca, swung away up north around Vancouver island and came in on the inside passage. The only solution we can find for that proceeding is the fact that they were visited during that time by the hon. Minister of Fisheries (Mr. Michaud).

Mr. REID: Has the hon. member any figures as to how many fish, if they went around by the north, were caught by traps in 1936 as against the year before·

Mr. TOLMIE: I am sorry I have not the figures at hand, but I assume they are easily obtainable. Of course this year, after the traps on the American side were abolished, the great bulk of the fish, coming in by way of the inside passage from Vancouver island south, were caught in the Fraser river and in Canadian waters, and naturally the catch on the American side suffered to that extent.

What is the feeling in the state of Washington about the abolition of traps? They do not feel satisfied about it. Traps were abolished owing to the very strong propaganda put out by those who were in favour of sport fishing, those who had sporting goods to sell, those who desired to encourage fishing at certain resorts. These were a strong combination, and as a result of their influence at Olympia, Washington, traps were abolished for a period on the American side. How long will they remain abolished? Hon. Clarence D. Martin, governor of the state of Washington, speaking at Olympia on January 13 at the opening of the state legislature, made this statement:

> I direct attention to an alarming and costly trend in one of our major national resources . . . the commercial fisheries. It is now obvious that the initiative is not working out as well as had been promised. Oregon and British Columbia are taking more salmon, while Washington's share is decreasing.

Again he says:

> The fisheries department will submit a program for your consideration, but I should like to make one recommendation: that we declare that the state's interest is larger than, and prior to, that of any or all of the conflicting groups or forces within the industry; and that we shall, by law or regulation, control and distribute the fishery resources as found best for the present and future benefits of the state as a whole.

After all, how many fish do we catch at Sooke? One would imagine, listening to some of the statements that have been made, that the quantity was so large as seriously to interfere with the industry in British Columbia. As a matter of fact there are areas where ordinary methods of fishing are not practicable owing to such conditions as strong currents, tides, and so on. This particular area between Sombrio Point and Beechey Head near Victoria where the traps are located is subject to swift currents and heavy tides, with the result that other forms of fishing cannot be carried on there.

I am not a fisherman but a live stock man, and I cannot discuss this subject from personal experience; but I am given this information by those who are well posted in the industry. How much fish does this much-abused company capture there? The combined catches, United States and Canadian, at Sooke last year amounted to 2·2 per cent.

Mr. NEILL: Of what?

Mr. TOLMIE: Sockeye, the great commercial fish.

Mr. NEILL: Of what catch—British Columbia and United States together?

Mr. TOLMIE: Yes; that is the percentage of the catch between the state of Washington and British Columbia. It is evident then that the Sooke traps have little effect on gill net fishing on the Fraser river, but rather more effect on the United States industry. These fish on entering the straits—and I wish to emphasize this particular point—swing up north to Vancouver island where there is opportunity to catch them by means of proper appliances, and traps are the proper appliance in these particular locations. Then they swing south to the United States and are lost

to us except for those that happen to escape the American seines and nets, reaching the Fraser river a little later.

I am as much for the conservation of fish and timber in British Columbia as anyone else, and I say that if we catch too many fish by this method, so as to jeopardize the future of the fishing industry, then we should regulate the fisheries to such an extent as to obviate any such danger. It would be better to do that than to try to eliminate some particular form of fishing, wiping out a valuable industry employing a number of men, an industry that has paid out a million dollars in wages alone in eighteen years, and another business which gives employment to a number of men in the fishing season. The matter can be easily handled by regulation.

These fish are spawned in the headwaters of the Fraser river area. They proceed to sea when they are large enough and able to take care of themselves, remaining in the Pacific four years, and then they come back as the commercial fish which the fishermen endeavour to catch. Of these British Columbia spawned fish that come back into these waters the Americans capture from sixty-eight to seventy per cent, and I contend that we should take every opportunity in carrying on our Canadian business, to get as much as we possibly can of that catch by fair means.

As I said a moment ago, the Americans are not satisfied with the removal of the fish traps. They believe that their commercial catch has shrunk to a remarkable extent, and there is therefore to-day a strenuous effort on the part of fishermen on the United States side to reestablish traps in American waters. Where shall we be if we eliminate the Sooke traps first, in the hope that the Americans will not reintroduce their system, only to find that they have done so?

I do not agree with the resolution. In my opinion it is unfair to vested interests and to those who make a living out of these traps and out of the cannery, and who have established homes near these places. Not only is it unjust, but it does not touch the point we are after, namely, the conservation of fish. Let us conserve the fish by means of proper regulations such as are enforced in any other branch of industry, in any part of the Department of Agriculture, or in any other line. I think that to adopt the method suggested would be to sacrifice Canadian opportunities to the advantage of our friends to the south of the line, and therefore, being of the opinion that on the whole this is not conducive to the progress and prosperity of the British Columbia fishing industry, I must oppose the resolution.

Mr. OLOF HANSON (Skeena): I think it is necessary for me to say a few words in regard to this resolution. In the first place, I regret that the Minister of Fisheries (Mr. Michaud) or the chairman of the fisheries committee did not see fit to have this whole subject brought before that committee, because in my opinion there are certain aspects of the subject that could be discussed much better in committee than they can be on the floor of the house.

I am absolutely in favour of the resolution, but I wish to refer to certain conditions which, as I see them, do not warrant the government in taking any drastic action at the present time. I am speaking as one who is interested in the cannery business and who therefore knows something about the fishing industry of British Columbia. As the hon. member for Kootenay East (Mr. Stevens) has said, the firm that has been operating in that district is an old and reputable one, and it has enjoyed a special privilege for forty years. In my opinion, if a particular firm has had a certain privilege for forty years while a large number of other canneries have not been so favoured, it is high time, if they have not benefited by that advantage which they have had, either for them to give up that privilege or for the others to share in it.

At the time the Todd company and other pioneering concerns in British Columbia began operations, it might have been necessary for the government to pass certain regulations to encourage the development of the industry. During these forty years, however, several other concerns, engaged not only in fishing but in every other branch of industry, have been carrying on without a similar privilege, and this particular firm, with its long experience, cannot expect any longer to enjoy exclusively a privilege in which others do not share. I do not think anyone doubts for a moment that the masses of the fishing population of British Columbia would benefit by the abolition of these traps. The hon. member for New Westminster (Mr. Reid) has said that when anywhere from ten thousand to twenty thousand fish are caught in twenty-four hours it requires two men to watch the operation and another two men to watch them; and as the hon. member for Comox-Alberni has pointed out, it would take hundreds of fishermen to catch that quantity of fish by the ordinary methods. That is a point that must be considered in this time of stress when the government is trying to provide employment for those who are out of work. Anything that can be done, even in a small way, to provide more men with employment should be done, and therefore I am strongly in favour

of the resolution. If it comes to a vote I shall vote for it because I know it will not be detrimental to the canning industry—I am interested in that—but will help British Columbia and its fishing population. I am disappointed that this resolution has not gone before the fisheries committee where it could be discussed more fully and explanations could be given that cannot so well be given here.

Mr. ANGUS MacINNIS (Vancouver East): I wish to say a very few words in support of the resolution introduced and so ably supported by the hon. member for Comox-Alberni (Mr. Neill). I doubt if there are many hon. members from British Columbia who have been in this house a few years who have not received protests from the fishermen of that province in regard to these fish traps. On a number of occasions I have drawn the matter to the attention of the department, and I know it has come up several times in the legislature of British Columbia. To me it is altogether a matter of the conservation of the fishery resources of this dominion. We have squandered other resources to such an extent that it will take a long time to replace them, if they can ever be replaced. In British Columbia we have squandered our timber resources like drunken sailors, as the saying goes. And with our fisheries we have done pretty much the same thing.

In a well-organized society I should not consider it good policy to take more time than is necessary to catch the fish we need. We should be concerned with catching the greatest number in the least possible time. However under an economic system whereby the fruits of industry are not equitably distributed, we are driven to the expedient of trying to increase the amount of labour spent for the production of an article rather than to reduce it. In the matter of conservation of fish the strongest argument made by the mover of the resolution, and one which we have to keep continually in mind, is that not only the Dominion of Canada but the country to the south of us, is concerned and if they have abolished fish traps on the understanding that they will remain abolished provided British Columbia also pursues that policy, or if they abolished them as a gesture anticipating their abolition by British Columbia, then certainly if we do not take that course the traps will be restored by the other country, to the detriment of both. If we are to formulate policies for the conservation of the fish resources of the Pacific coast we can do so only in conjunction with and with the assistance of the government on the other side.

Hon. J. E. MICHAUD (Minister of Fisheries): I think it is proper that I should add a few words to what has been said on this resolution. The administration and supervision and licensing of the methods of fishing in tidal waters is under the jurisdiction of the federal government exclusively, and is carried on by the Department of Fisheries.

As was well said by the mover of the resolution (Mr. Neill) there are four main methods of fishing resorted to on the British Columbia coast. There is the individual fisherman, called the troller; there is the gill netter, who sets a kind of trap—he also is an individual fisherman. There is the purse seiner who also operates a kind of trap, assisted by other men, but not in great numbers; and finally there is this method of the fixed trap or set trap, which is employed in British Columbia waters as well as United States Pacific coast waters.

The method of fishing by traps is not new. It was sanctioned by order in council of the dominion government as far back as 1894, and has been in use more or less ever since that time, but subject to restrictions for very obvious reasons which I shall try to present. The order in council of 1894 to which I refer resulted from the report of a commission appointed for the province of British Columbia, which reported also on the Georgian bay fisheries; we have its report and recommendation. I will agree that the method of fishing by traps exclusively would tend, if no regulation were imposed upon them, to exhaust the supply. I will not agree that it is the easiest and cheapest method of operating the salmon fishing industry, but from the information I have been able to gather it is the method which enables the canners to place the highest grade products on the markets of the world. For that reason many of those interested in the salmon canning industry on the Pacific coast have at different times tried to get licences to use trap nets to catch their fish. However, governments ever since 1894, and particularly since 1904, have seen to it that the proper balance is maintained between those interested in that branch of the industry and the net fishers who are really the primary producers. Rules and restrictions have been made in order not to give exclusive privileges to one class of people as against another. The gill netters and the trollers were allowed to use their methods in certain waters; purse seiners were licensed, and so were trap fishermen.

At different times, I find according to the records, applications were made by various interests in the province of British Columbia for permission to use traps as a means of securing their raw material. In some instances that was permitted on a larger scale

than is the case at present. That was during the war period, when there was such a demand for the product and such a shortage of labour in that part of the country. During the war the government of the day issued temporary trap licences to those packers who had supplied the market but who could not secure the necessary labour in order to bring to the canneries by other methods or fishing the material that was required. Outside of that period, however, with a few exceptions in the north which did not continue for very long, trap fishing in British Columbia has been confined to the waters at the southwest point of Vancouver island, for the reason that the choicest variety of salmon, which as the house well knows is the sockeye, runs up from Puget sound or the strait of Juan de Fuca, in a straight line to the southern point of Vancouver island. Then it goes back to American waters in order to come in to the Fraser river. This is the course followed by the salmon on that coast, according to information which has been verified by inquiry, and I am told that the fish in those waters cannot be caught by any method other than trap fishing.

That is so for several reasons. In the first place the trollers and gill netters cannot operate successfully because of the phosphorated condition of the water. There is so much phosphorus in the water at that point that gill netting and trolling cannot be resorted to, and the waters are too swift for the operation of purse seines. That is shown by the fact that no purse seine fishing has been carried on in those waters, although there is nothing to restrict or prohibit it. This information is given to me by the officials of my department from the records of the department, and has been confirmed by those who know something of fishing in that locality.

Mr. MacNEIL: Will the minister permit a question? Even if the fish cannot be caught in that particular area by other means, do not the traps intercept the main movement of the fish, which may be caught elsewhere in Canadian waters?

Mr. MICHAUD: I am told by the officials of the department, who have had many years of experience in the matter, that instead of being a hindrance to those who want to resort to purse seining the traps are a help to them, because they help gather the fish at certain points, where they can be caught more easily by purse seines than they could if the traps were not there. In any case we have this fact, which is not contradicted, that the purse seiners have not resorted to these waters, though there is nothing to prohibit them or restrict them in doing so. I am told by the officials of the department, who know something about those waters, that these are the facts, and that the reasons I have advanced are the reasons why fishermen do not go to these waters.

For these reasons, Mr. Speaker, succeeding governments since 1904 have permitted trap fishing in the waters in question. The number of licences taken out has varied, but according to the records not more than three or four, or in some years five, traps have been used in that area. It has been stated that a monopoly has been created in the hands of some individuals. That may be so, but I do not know of any other applications which have reached the department to permit the use of traps in those waters. Because of the fact that these licences have been issued, since 1904 a considerable industry has been established in the vicinity of these traps, which depends upon the traps for its operation.

Mr. NEILL: I thought a few minutes ago the minister said 1894.

Mr. MICHAUD: I said that fishing by means of traps has been sanctioned by the government since 1894. Traps have been established at the point under discussion since 1904.

The resolution states that it would be in the best interests of British Columbia, because it would be in the interests of the greater conservation of salmon, if these traps were done away with. That is a matter of opinion, and I doubt if that statement will be borne out by the facts. I am told that the quantity of non-salmonoid fish or whitefish incidentally taken in the traps is very low in comparison with the salmon caught there. These whitefish are put on the market in the city of Victoria and adjoining districts, where they are sold at lower prices than the better classes of fish, and where they are welcomed by people of moderate means who are pleased to get them.

It has been stated also that there is a large proportion of immature salmon being taken in the traps, which would not be taken otherwise, and which means that these fish are destroyed. Everyone knows that it is exceptional for immature salmon to come back to fresh water for spawning purposes. Ordinarily salmon do not return for three, four or five years. Generally speaking the fish that come back from salt to fresh water are mature fish, and it is the exception when an immature salmon returns to fresh water. These salmon are caught when they are on their way to fresh water for spawning purposes. So that

from the point of view of conservation, in regard to the destruction of immature fish, I submit the records show that there is no destruction of fish to any considerable extent. If there had been such destruction I doubt whether succeeding governments since 1904 would have permitted that type of fishing to continue.

Reference has been made to the large quantities of fish taken in the traps, but I cannot agree with those who contend that the source of supply is in danger of being exhausted because of the licensing of a few traps. I have the records from 1930 to 1936.

Mr. STIRLING: Will the minister put those figures on Hansard?

Mr. MICHAUD: I shall give first the percentage of sockeye salmon caught in traps as compared with the total catch:

Year	Per Cent
1930	1·05
1931	0·97
1932	1·27
1933	3·41
1934	1·49
1935	1·58
1936	1·00

Mr. HANSON: Do those figures cover all the fish caught?

Mr. MICHAUD: No; they refer only to sockeye salmon. The following table gives the percentages of all varieties of salmon caught in traps as compared with the total catch:

Year	Per Cent
1930	0·44
1931	3·33
1932	1·04
1933	3·09
1934	0·55
1935	2·57
1936	0·5

I think these figures will show that there is no danger of exhausting the source of supply by permitting trap fishing in a particular area. Another argument has been that the elimination of traps will provide more employment. This is also a matter of opinion. I should like to lay before the house certain facts which will permit hon. members to obtain the proper viewpoint on this matter. It must not be forgotten that no other method of fishing could be resorted to in the areas now fished by means of traps. I do not think it is altogether correct to assume that the elimination of traps will provide employment for more fishermen. I understand that the industry which has been built up around these traps has made a specialty of supplying a better grade of salmon to the market. This helps to raise the standard of our exports to the markets of the world where we must compete with other countries. We must remember that the bulk of our canned salmon is exported. In order to maintain our position in the markets of the world we must compete against other countries which have not the same standard of living and which do not pay the same wages as those which prevail in Canada. We have been able to maintain our position because of the high quality of product we have been able to export. The canneries operating traps play a considerable part in maintaining this standard of quality.

Reference has been made to possible international complications. The neighbouring state of Washington during the past two years has permitted the operation of a large number of traps. In 1934 there were 235 traps in operation and in 1935 there were 209. These figures compare with three and four traps on the Canadian side during the same years respectively. I have not been able to find any records which would show any relationship between the two countries in connection with the abolition or use of traps. The records show that where traps have been removed from American waters the removal has been obtained by those who resort to other methods of fishing. This has been done through the cooperation of the trollers, the gill netters and the purse seiners. I do not think the permitting of traps in Canadian waters will have any effect upon action taken in connection with American waters. The argument advanced by those in the United States who are seeking to bring back the operation of traps is that the interest of the industry is dependent upon that type of fishing. The attitude of Canada has not entered into the picture at all. I can assure the house that if representations are made that the maintenance of traps in Canadian waters will bring about any increased use of traps in American waters and thus deprive the fishermen on the Fraser river of their full share of the fish that run in those waters, the government will not close their eyes or ears to such representations.

I can also assure the house that there is no intention to depart from the policy which has been in force and adhered to in this country since 1904, to limit the issue of licences for trap fishing to the waters which I have described south of Vancouver island. It is by way of an exception that these trap licences are issued, and for the very obvious reason that no other method of fishing can be resorted to in those waters. The fish that are

being caught there by traps would not otherwise be caught by Canadians, and a very high class product is being marketed by the Canadian industry by reason of its being permitted to use traps in those waters.

What would be the consequence of refusing to issue licences for trap fishing to those who have been licensed and have been operating traps for almost the last thirty-three years? There is a large capital investment, about $100,000 I am told, in those traps; there is being spent every year on every trap, in material and labour used to set up the traps, from $10,000 to $15,000, and in addition there are the wages paid to those who practise the fishing. Around that area there has grown up a community of about 300 people who are solely dependent upon the trap fishing and upon the canning factory. If licences were refused it would follow that those who are now operating the cannery would close it up, and all that community would be thrown out of employment. Many of them own their own houses; there are stores in the locality, and there is in the vicinity no other industry upon which these people could depend. So I submit, Mr. Speaker, that before adopting the resolution we must carefully consider the consequences. If we refuse to issue any more licences, we would, I repeat, be abandoning a policy which has been in force since 1904, and we would not be providing labour for any more people in British Columbia, because the fishermen could not resort to these waters to fish.

It might be advanced as an argument that the fish which is being canned in the cannery might be purchased elsewhere, from people who use other methods of fishing, but I am told, and I have the assurance of those who are operating the cannery, that they would not find it profitable to operate and maintain their very high standard of product if they used fish caught by any other method. So it is fair to assume that if we refused the licences the cannery would be closed, and those who are dependent upon the cannery for their livelihood would be thrown out of employment and deprived of the wages they now receive.

I have said that the capital investment in the traps is about $100,000. I am informed that the capital investment in the cannery, outside the traps altogether, is $150,000. There are at the cannery twenty-five permanent employees and 125 seasonal employees, who would be thrown out of employment if we refused to issue the licences. The annual pay-roll is $35,000. In addition it must be remembered that these people pay licence fees; they pay high fees to the province of British Columbia, which imposes on them a special tax. All told, in fees and licences there is a revenue of about $7,500 a year, which would be lost if the licences were refused. The loss to the province and to the dominion government would be $35,000 in income and sales taxes, and so on.

The number of men permanently employed at the traps, exclusive of the cannery is forty, with an annual payroll of $58,000. There would also be the loss to those who sell the supplies. The employees at the traps have an average length of employment of 13½ years. The company has maintained group insurance on their men, several of whom own their own homes, and if they were thrown out of employment they would be losing not only their jobs but their savings invested in their homes.

So I submit, sir, that the house should be satisfied to leave it to the government of the day to continue the policy which has been followed for almost thirty-three years, and in the issuing of licences to try to consider the greatest number of people possible, at the same time bearing in mind the necessity of maintaining the industry at the high standard which it has reached in order that it may retain its position in the markets of the world. We should also be very careful to avoid the destruction of a community which apparently would have no other resources and would have to fall back on relief or start all over again to rebuild, with no prospect of employment in sight. I trust the house and particularly the hon. member for Comox-Alberni (Mr. Neill) will be satisfied with the assurance that the number of licences in British Columbia will not be increased, and I hope hon. members will be content that this peculiar situation, which is an exception, should be maintained until it is established that these people could be reabsorbed in other industry, and until it can be demonstrated that the revenue which they have been deriving from the industry in which they are at present engaged can be derived elsewhere. I can assure the house, with regard to any international complications arising out of the fact that the government of this country permits trap fishing in that area, that we shall do our best to avoid any such complications.

Mr. BARBER: What is the objection to referring this question to the fisheries committee where we might have an opportunity of calling as witnesses those who are better informed upon the subject than members of the house?

Mr. MICHAUD: I have no objection whatever to having this matter referred to a committee.

Mr. A. W. NEILL (Comox-Alberni): Mr. Speaker, I suppose I should thank the members of the house who have supported this resolution; I assure them that in my opinion they were doing good work for the province from which they come, and I do not think the public will be remiss in remembering this when the time comes.

I am sorry that my first reference to my friend the hon. member for Victoria, B.C. (Mr. Tolmie) should be concerned with a difference of opinion. May I turn aside for a moment and heartily congratulate him upon his natal day and upon his reappearance in this house. I know that every one of us, irrespective of politics, is pleased to see him back here again, and I am sure I voice the wishes of all when I say that we hope he may enjoy many years of happiness, if happiness can be attained in this house, and that he may grow in grace as he has in stature.

I will, if only incoherently, so to speak, answer various objections that have been made. The hon. member for Kootenay East (Mr. Stevens) said that the fish caught in these traps were of such a kind that trollers could not catch, and I rather think he also suggested that the seiners would not do much. He also said that sockeye was the main run. For many years sockeye was the main run that was caught in these traps. But I have in my hand statistics furnished by the department which show that for the year 1936 sockeye caught—I am just quoting round numbers—were sockeye, 44,000; springs, 54,000; steelheads, 1,000, and cohoes, 36,000. So that the sockeye were not the dominant catch this last year. Springs, steelheads and cohoes are all fish that can be trolled. I am surprised to find that the hon. member for Victoria, B.C., and the hon. member for Nanaimo (Mr. Taylor) did not take a stand in opposition to these traps, inasmuch as the traps catch so many springs, steelheads and cohoes, which are the mainstay of the tourist trade, the fishing to which we on Vancouver island look more and more to furnish a substantial revenue. There is every reason to hope that we can make Vancouver island the mecca of a tremendous number of tourists from all over the world if we facilitate their enjoyment of the fishing resources we have there. Steelheads, by the way, are not a salmon at all; they are a trout, and should not be taken in a trap. Cohoes and springs—the springs are the same class of fish—are the same variety for which, under the name of tyees, Campbell river is so noted. I have met men from all over the world who were going to Campbell river; they said that each salmon they caught cost them ten dollars, but it was worth it because of the sport afforded by these tyees, which are identical with springs, and in the right place can be taken in the same way. As regards these 36,000 cohoes, it has been discovered in the last two or three years that they will rise to a fly, and English sporting fishermen want a fish that will rise to a fly. The possibilities of developing fishing in that country are enormous, but the catches are getting less, because they are being taken in seines and traps. I think Brentwood is within the district of the hon. member for Nanaimo, so he should support this proposal with both hands and both feet, because it means the devolpment, in the spring of the year, of travel there by tourists who for the moment cannot go anywhere else and who are enormously attracted by the possibilities of catching with a fly cohoes in that neighbourhood.

The hon. member for Vancouver North (Mr. MacNeil) spoke about its being a monopoly down there. He never said a truer word. I think the minister, when he came to that point, virtually admitted that there was a monopoly, although he suggested it was a beneficent one or one that could not well be vitiated. The hon. member for Vancouver North wondered why there were only four traps, or rather five last year and four the year before, while the number of licences taken out is eight. I will tell him—because they want to maintain a monopoly. It is ostensibly two companies, but the one washes the other one's hands. They take every valuable site—that is why they have eight licences—and pay a heavy licence fee, but operate only four or five. One would suppose that the whole of the strait of Juan de Fuca was available to these fish. But fish go exactly like a man driving a car; that is they go the nearest way. If a man is driving a car along a road and comes to a sharp turn to the right, will he not hug the righthand corner? Of course he will, and that is exactly what the fish do. That is also what these clever trap owners do. They take their reservations, their locations, out at the edge of the headland around which the fish have to go, and that is where they get them; they will take eight licences because experience has shown that there are only eight major profitable available sites there, and they will keep on paying for these eight sites although they take all they want from the operation of four traps.

While I am on the subject, the minister said there is no fishing by seines in that area and that is evidence of its not being possible to fish there, because, he says, seines can fish in the strait of Juan de Fuca. Yes, they can, but the places where the fish run, where it can be calculated they can be caught, are around these headlands, and the trap owners have their sites located there. Then the minister told us his officials had informed him that seiners liked the traps because they afford a better opportunity for them to get fish. That is a misconception. Either his officials have deceived him or they have unwittingly misrepresented the situation. Perhaps it is true as regards the state of Washington, but we are dealing with British Columbia where conditions are quite different. In Washington where traps were located, apparently the custom was to give those traps to people much as is done on our side of the line, but there was no restriction outside the actual location of the trap; seiners could go and fish within ten feet of the trap if they so wished to. The seiners on the American side found this quite useful, because the fish congregated there in their endless attempt to get through this barrier before they started going to the right or to the left, and that was the place for the seiners to make a killing. I say that was true on the American side, but it is not true on the British Columbia side, because we have a regulation restraining the seiners from operating within a certain distance—half a mile, I believe—so that the traps do not give them any advantage; they do not have the effect of holding the fish for the seines, and no one in British Columbia would suggest that a seining organization or any other fishing body would ever favour the traps.

The hon. member for Victoria, B.C., said that the United States were going to open the traps in any event because they found on their side it was profitable to do so. If that is the case, let us not give them the excuse that they do so because Canada is not playing the game. The hon. member said that it was due to propaganda that the traps on the American side were abolished. That is not so. This was done through the operation of the initiative, and people do not propagandize when there is an initiative; it is the common people rising up and demanding the enactment of the law; it is put before the people to be voted on, if I understand the situation correctly, by the people, and not by the legislature, which might be influenced by the big interests. That sort of influence cannot be exercised where there are thousands and thousands of people voting. I think it is entirely unjust to say that it was propaganda which put over that restriction; I think rather that propaganda is behind the attempt to repeal the bill. The hon. member quotes Governor Martin, who is a well known reactionary, as against the operation of the initiative. I have no doubt he is, but let us remember that the present law was put through by the vote of all those citizens who are qualified to vote; it was not a vote of the legislature.

The hon. member for Victoria, B.C., says that the Sooke catch is small; I think he himself quoted it as being two per cent of the total catch. If so, and if there are only four or five traps, why grudge the elimination of such a small quantity when we have so much to gain? We are going to have the opportunity, in return for the giving up of four or five traps on our side, of having the Americans abandon 219 traps. Is that not a good deal? Why be fussy about two per cent when we stand to gain so much?

Mr. TOLMIE: Has the hon. member any guarantee that, if the traps are eliminated in British Columbia, Washington will not reinstate the traps on their side?

Mr. NEILL: No; but the minister could very well make a statement here to the effect that it was his intention to stop them in British Columbia this year provided Washington would not reinstate traps there; and we know that in dealing with nations and people there is such a thing as quid pro quo. When Canada gave the old country a preference we expected something in return and eventually we got it. The minister said that these waters were not adapted to seines. Well, here is Kyuquot Trollers' Cooperative Association making a statement on the subject—I suppose they know what they are talking about—and this is what they say:

> Whereas the district of Sooke where the only traps in B.C. now are located would afford ideal fishing grounds for seiners thus increasing employment. . . .

That was passed on December 17, 1936. They are a well-established and thoroughly reputable body; I do not think they would make such a statement unless it could be proved, and it is capable of proof only when the traps are taken away, because they can not seine these waters when all the available fishing sites are already preempted. People have an idea that you can go into the ocean and catch fish anywhere. You can catch the odd one, but you can seine only where the fish congregate in schools, as they do around these headlands.

The minister spoke at some length and his first and last argument was that this practice has been going on for forty years. As a matter of fact the actual operation has lasted thirty-two years. But conditions vary over the years and we must change with the times. We all know, looking back over a period of less than forty years, what changes have taken place in every direction. He said that fish cannot be caught in this district otherwise than by traps. I have quoted the opinion of the association in that regard; I might say that the same opinion was expressed by the Pacific Coast Fishermen's Union, and I have the authority of Major Motherwell, the chief supervisor, that the association is mainly composed of seiners.

The minister said that the traps would help the seines. I think I have explained that. It is curious, if the traps would help the seines, why the seiners are all so deadly opposed to traps. The minister said, further, that the few traps at Sooke would not kill the industry. Undoubtedly not; the operation of four or five will not kill the industry. But I am pointing out that this is perhaps our last chance to trade four or five traps for 219 on the other side. The sentiment was voiced by the hon. member for Skeena (Mr. Hanson), who pointed out that if the traps at Sooke were allowed to remain and the Americans kept theirs off, the justification would be gone for continuing that privilege to them alone, and every cannery in British Columbia would be demanding it.

The minister said that it would cause more unemployment, but that this was a matter of opinion. It certainly is. I have already read the opinion of Mr. Bell, an expert in Alaska, who said:

> By giving the seine fishermen a chance, we will be giving work to hundreds who have been practically forced to the wall by the traps. Two men with a trap can catch as many fish as twenty-five men with a seine.

That is not my opinion; Mr. Bell made that statement off his own bat some time ago. The minister said that the firm which has the monopoly at Sooke puts up good packs. Undoubtedly; but is that the only cannery in British Columbia which is putting up good packs? They all do. There are companies of greater importance that put up just as good packs, and I cannot allow it to be said that this particular cannery is the only one which puts up a good pack. Moreover, the others put up a good pack without traps. Why cannot this one do the same?

The minister gave us a picture of the losses in investment that would follow the shutting down of this cannery. Who said that it would be shut down if this company did not have this long term privilege extended? Why, they did. Who said that the textile industry would shut down if the government made a deal with Japan? The textile industry did. And who opened their factory forthwith when they found their bluff called? I shall take a chance on this cannery shutting down.

The hon. member for Kootenay East (Mr. Stevens) says that they are in an isolated position. They are not, for every day tugs pass the door of that cannery going with fish from the west coast to the Fraser river to be canned. Why cannot this cannery buy its fish from these tugs? The whole trouble is that these people have enjoyed a monopoly for a very long time and now they are howling because they believe there is a danger of their losing it. It is nothing but propaganda. The same thing happened in the days of St. Paul, in Ephesus I believe, when a famous attack was made against the Christian religion. Demetrius the silversmith gathered his people together and pointed out to them that they were likely to lose their business, which was the making of images of Diana. For the space of two hours—there was no forty minute rule there—they howled against St. Paul. They did not argue; they did not use logic; they simply howled, "Great is Diana of the Ephesians." Here we have pretty much the same sort of thing. These people are as reluctant as I should be to give up this valuable, profitable and fortune-making monopoly, and now they threaten to shut down. Not a bit of it. Talk about their investment of $20,000! Do you know that the investment of the troller association amounts to half a million dollars? Yet they are not looking for any special privilege, and there is no danger that they will discontinue operations. We need not fear this company shutting down if we take away this privilege. If forty-two or forty-eight other concerns can make a living and pay the same wages, and a good deal more for their fish than this company pays, why cannot this particular cannery do the same?

The minister said that he could see no connection between our traps being removed and the removal of the United States traps. There might not have been any connection, but we may rest assured that there will be a connection if we do not abandon our traps, because the legislature on the other side of the line is waiting to see what we are going to do, and if we do not play the game their traps will inevitably be restored.

I must say, with all due deference to the hon. gentleman, that I was disappointed at the attitude he took. I thought his mind was rather turning toward a yielding on this point, but apparently his mind is made up, and I do not know that I can do anything more than vote for the motion as it stands. At any rate my skirts will be clear and I shall have done my duty to the constituency I represent. In his closing remarks, in reply to the hon. member for Fraser Valley (Mr. Barber), he said that he had no objection to referring the question to the fisheries committee. Well, it is always better to get something rather than nothing at all, and if he would move to have the motion amended to that effect I would be agreeable. I cannot amend my own motion, but if he would move such an amendment, to have the matter sent to the committee, though I cannot say that I should be glad I can say that it would be better than nothing.

Mr. MICHAUD: If the hon. member will allow me, my suggestion was that he should withdraw his motion and the matter be referred to the fisheries committee.

Mr. NEILL: Will the minister give that assurance?

Mr. MICHAUD: Oh, yes.

Mr. NEILL: Because, as the rule stands to-day—and I remember it being enforced last year—nothing can be debated in that committee unless sent to it by order of this house. But the minister's word is good to me. So with the consent of my seconder I shall withdraw the motion on that understanding, and I thank the minister for his courtesy.

Motion (Mr. Neill) withdrawn.

FOREIGN POLICY

PROPOSED STATEMENT OF PRINCIPLES TO APPLY IN RESPECT OF WAR, THE CAUSES OF WAR, AND WAR MUNITIONS OR MATERIALS

Mr. J. S. WOODSWORTH (Winnipeg North Centre) moved:

That, in the opinion of this house, the foreign policy of Canada should conform to the following principles:

1. That under existing international relations, in the event of war, Canada should remain strictly neutral regardless of who the belligerents may be.
2. That at no time should Canadian citizens be permitted to make profits out of supplying war munitions or materials.
3. That the Canadian government should make every effort to discover and remove the causes of international friction and social injustice.

He said: It seems to me that unsettled conditions both in Europe and Asia make it imperative that we should consider our Canadian foreign policy. The world is rapidly becoming an armed camp. We were told that the last war was fought to end war, but now it would seem that the last war might easily prove to be simply the prelude to a greater one. The government have intimated that they are bringing down proposals for increased expenditure on armaments. In past years we have been told by Ministers of National Defence that we need an army only to keep subversive elements in order. Occasionally we have been told that we need forces to protect our own shores. Now we are being told that we need a force to protect our neutrality, whatever that may mean. A great number of people believe that these increased estimates definitely foreshadow the possibility of Canada being drawn into another European war. We are being told from very influential quarter that Canada must prepare to assist in the defence of the empire. It seems to me that now is the time when we should have very clearly expressed to us what the policy of the present government is on these matters.

Canada is no longer a colony; we all recognize that. I suggest that we have not yet adopted a policy of our own but are content to tag along, following the lead of Great Britain, or, what is even more serious, try to escape responsibility for any very active policy. I am well aware that there exist great diversities of opinion in Canada with regard to this matter, but for that very reason it seems to me we should face the question now rather than wait until some critical moment when we would find how divided the country really is. I suggest that the oncoming of a war, which might mean our participation, would split this country from stem to stern. One can hardly go to the province of Quebec, or read even cursorily the French-Canadian press, without realizing that there is a very strong sentiment there against being dragged into another war. I would respectfully suggest to the French-Canadian members of this house that if that is so, their responsibility is to say so here and now. I would suggest that when increased expenditures are proposed they ought to join with some of the rest of us and ask the reason for these increased expenditures. Are they merely for our own defence or are they being made in order that we may one day participate in a European war?

I think of the situation in the west. I do not think the west is any less loyal than any other part of this country. But over fifty per cent of the people there are not of Anglo-

Saxon origin. They are interested in the welfare of Canada; they are much less interested in the adventures which may be entered upon by Great Britain in various parts of the world. Many of them came here to escape the burden of militarism, and hence perhaps are able to see things a little more clearly than those who are almost blinded by a certain emotional attachment to the motherland. I can understand the attitude of people who were born in England and whose immediate relatives are still living there, but I do not take their word as final in matters of this kind.

Let me attempt to forestall some rather unwarranted criticisms which have been made of the position which I am trying to state in this resolution. First, I say emphatically that I am not what might properly be called an isolationist. I recognize that to-day no individual can live to himself; that in our modern life every day we are dependent for necessities upon the community around us. To prepare a very modest breakfast table requires the help of workers in almost every part of the world. In our industry, our commerce, our finance, we are closely connected with every other part of the world. No man to-day can live to himself. And as with individuals so with nations. Canada cannot live to herself. A very little disturbance on the stock market in New York is apt to bring about a decided disturbance in financial circles all over the world, and may affect the standard of living of a large part of our population. No, we cannot live apart from the larger world.

Again, I do not think I need tell at least the older members of this house that I am not anti-British or un-British. In Great Britain the policies of the country are discussed fully. The Labour party there may adopt a policy differing very widely from that of some of the big industrialists. But there they consider it very desirable that all sections of the community should be heard from. That ought to be true in this country; it is the only way by which our democratic machinery can operate.

Furthermore, it seems to me that the people who believe in military preparation as a means of defence have no monopoly of patriotism. Some of us who were born in Canada and whose ancestors were born here and helped to lay the foundation of this country have just as much right to speak on the subject as have some of the individuals who differ very widely from us. I think when I undertake to express my views I am far more British in spirit than if I slavishly followed the lead of some people who live in Great Britain.

[Mr. Woodsworth.]

Some hon. MEMBERS: Hear, hear.

Mr. WOODSWORTH: Again, I am not what might be called a do-nothing pacifist. But there are several things which I have come very firmly to believe. The first is that war settles nothing. A year or so ago Canadian Business quoted a statement by Nicholas Murray Butler, who estimated that the cost of the last war was some thirty million lives and some four hundred billion dollars. I do not know that there is any very clear statement as to what it cost Canada. The Financial Post, which is usually considered to be conservative in these matters, put it some time ago at $4,341,488,904. We lost over sixty thousand of our best men, and to-day we have some fifty thousand unemployed veterans who are not receiving the assistance they should get.

All this is but indicative of the cost in blood and treasure of the great war, and yet that great war settled no major problem. Eighteen years later instead of a kaiser we have a Hitler; instead of the assistance of Italy we have the aggressiveness of Mussolini; instead of a friendly Japan we have the oriental menace. Everywhere there is confusion, and the danger of a still greater war. I should like to ask whether there is any prospect that the "bigger and better" war of the future, to use the common phrase of the street, will settle anything.

Again, I am coming pretty firmly to the conclusion that as war settles nothing, so armaments are no insurance against war. Before the last war Germany was well prepared; yet Germany suffered very heavily. Responsible British leaders have assured us that England was never better prepared, but the last war came and the best prepared suffered the most severely. It is all very well for us to talk about fire insurance and ladders and hose, but if we live in a jerry-built town I do not think the ladders and the hose are going to make our homes safe from catastrophe. More attention must be paid to the kind of buildings if we are to have any sort of security. If we are to secure peace we must adopt policies that are constructive. We must not be content with merely a negative attitude; we must set out deliberately to discover and adopt those policies which will help to prevent war. Further than that—and this is perhaps not quite so palatable to a good many people—we must be prepared to pay the price of peace. If, when war comes, we are prepared to spend our hundreds of millions; if, even long before war comes, we are prepared to spend the millions that are set out in the estimates now before us, I suggest that we should be

willing to spend a half, a quarter, even only a tenth part of that amount, if you will, in attempting to carry out some sort of policies that might lead to peace.

In the first paragraph my resolution refers to existing international relations. I do not say that this should be so under some ideal system, or with a world league functioning properly; I say that under existing international relations, in the event of war Canada should remain neutral regardless of who may be the belligerents.

Mr. ROGERS: Does that mean subject to existing international obligations?

Mr. WOODSWORTH: I have not taken that particular matter into account in my resolution, because no nation connected with the League of Nations has lived up to its international obligations and, as an hon. member behind me suggests, Canada has never accepted any definite military obligations. We have always refused to give pledges beforehand.

In formulating a Canadian policy consideration must be given, it seems to me, to three things: Our relationship to the league; our relationship to the empire, and the welfare of Canada itself. I submit that the league as constituted has failed. I am not talking about the league as it should be. In more recent years I have endeavoured to do all that I could for the league, because it is the only instrument we have. Sometimes it has been said that when I spoke along this line I was repudiating the league. That is not my thought, but I do urge that as far as the safety of this country or of other countries is, at the moment concerned, we must confess that the league has failed. Manchuria and Ethiopia are the most outstanding examples, as well as indications of the inherent weakness of the present set-up. The fact is that the great nations have not taken the league seriously. From 1913 to 1930, before the last great armament race, Great Britain and France increased their armaments fifty per cent. That is, while talking about the league and while contributing small amounts to it, they were not relying upon it for their security; they were going ahead steadily with their individual armament programs long before this last crisis came upon us. The United States, which of course is not in the league, trebled its armaments. While we were supposed to be relying upon this rather evasive thing called "collective security," there were increased armaments all along the line.

I urge that Canada should work for a league in which each nation would be willing to surrender its sovereignty and its individual armaments; that is, in very simple terms, the right to do as it pleases and, in the last resort, the power to enforce its own decision. That is what we do in our community life. We surrender to the courts what were once regarded as individual rights. There has been a general tendency to decry any attempt to erect the league to the position of being a super-state. I am convinced that it is only that kind of league which is going to prove worth while. Mr. Eden, according to the papers, is now advocating what is termed a tame league. Let me suggest that collective security should be more than a phrase. If we are to have collective security insured by armaments, then those armaments must be collective armaments. If we are to have collective security by other and more peaceful means, then there must be collective agreements. To those people who charge that we are giving up the league, I should like to put the question: Are you prepared to work for a league that will have teeth in it, a league that will be effective, a league to which the nations will give such allegiance that in the last analysis they will be willing to give up what the lawyers hitherto have termed our national sovereignty, and our national armaments?

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. WOODSWORTH: When the house took recess I was suggesting that in formulating a Canadian policy consideration must be given to our relationship to the league, our relationship to the empire and, lastly, the welfare of Canada. I suggested that the league, as it is at present constituted, had failed to offer security, and I urged that we must seek to build a more effective league. At the present time, in despair of attaining security through the collective agency of the league, there seems to be a tendency to revert to various alliances, to go back to the old system, and to depend upon the strength of the empire.

What is this empire that we are called upon to defend? Generally the term "commonwealth" has been used to designate the self-governing British nations, but recently there has been a tendency to use this synonymously with the word "empire." This seems to me subtle propaganda on the part of the imperialists. For example, in the Canadian Defence Quarterly of October, 1936, an editorial review of an article in the Round Table refers to the Mediterranean policy of the commonwealth of nations. I must say that

during my fifteen years in parliament I have never heard the most remote reference to a Canadian Mediterranean policy. At a recent meeting of the Imperial Parliamentary conference Sir Samuel Hoare spoke of the solidarity of the commonwealth upon the sea. He referred to Singapore as being a vital contribution to the British commonwealth. He said, "We look with confidence for the cooperation of the whole British commonwealth of nations." I rather thought we had settled that matter pretty well away back in Laurier's time. It would be strange indeed if the Liberal government of our day should succumb to the same old proposal brought forward in a somewhat camouflaged way.

Remember that the so-called self-governing nations constitute only fifteen per cent of the British Empire. What about the other eighty-five per cent? As a boy I used to read of the trial of Warren Hastings, and I then obtained a little idea of how a part of our empire had been acquired. During the Boer war I was a student in England and I remember how Lloyd George protested against the British action in the Transvaal. However, it was not until several years later that I really began to understand what imperialism meant. I can remember very distinctly visiting the army and navy museum in Whitehall. I remember seeing all the engines of war, ancient and modern. There were set out the tattered flags that had been carried by British regiments in all parts of the world. I saw blood stained garments worn by natives of almost every country in the world. I then began to understand a little more clearly the price of empire paid in human blood and human suffering.

A short time later, when returning from Egypt, I fell in with a young British engineer who told me in detail something of the progress of empire in northern Africa. He told me how the unscrupulous traders would go in and exploit the natives. The natives in desperation might murder a white man. Then an expeditionary force would be sent in. There would be reprisals and counter reprisals. A protectorate would be declared, and before very long this particular territory would be annexed as part of the British Empire. I am speaking particularly of the British Empire as I know a little more of that than I do of other empires, but the same proceeding has characterized the building up of the French empire, of the American empire and of the Japanese empire. These empires have been acquired to serve the interests of a very small part of the community which has had to spend so much upon them. As I see it, imperialism is simply capitalism in international affairs. Recently I came across an almost prophetic statement by Sir Thomas More. He said:

> Everywhere do I perceive a certain conspiracy of rich men seeking their own advantage under the name and pretext of a commonwealth.

Let me read J. A. Hobson's considered statement:

> The decades of imperialism have been prolific in wars; most of these wars have been directly motivated by aggression of white races upon lower races by forcible seizure of territory. Every one of the steps of expansion in Africa, Asia and the Pacific has been accompanied by bloodshed.

What a terrific indictment of imperialism! I think anyone who has taken the trouble to read the history of imperialism must come to some such conclusion as that. If I can prevent it, I do not intend to have my boys and my neighbours' boys sacrificed to any such system, a system which results in exploiting native races or building up fortunes for a few industrial and financial magnates and war profiteers—all under the guise of patriotism. I have nothing whatever to say against that country which we so affectionately term, "The Motherland," but I think we in Canada must be very careful lest we lend ourselves to carrying out the policies of a few great industrial and commercial and financial groups in the motherland. I am getting somewhat tired of being told that we in this country are unpatriotic because we do not jump when Mr. Baldwin, Mr. Chamberlain or someone else tells us to do so.

I suggest that if the British connection is to be maintained, Canada must have an effective voice in the policies which vitally concern her people. Canada should claim at once the right to declare war or peace. I brought this matter up last year. I suggested that Canada is said to be autonomous under the Statute of Westminster, but we are also told that when Great Britain is at war, Canada is at war. It would appear that while Canada has now full control of her own legislation, she has not full control over the executive functions of government. South Africa by her Status of Union Act and Royal Executive Functions and Seals Act sought to attain such control over her own affairs. Some one may object that if that policy is carried out it will mean independence. If that is so, then I say, by all means let us have independence. On the other hand, as one who desires to preserve the British connection, I would suggest quite seriously that it is only

in so far as we in Canada have effective control over the policies which concern our people, and the other dominions have similar control, that we shall be able to maintain the British commonwealth.

I assume I still have distant cousins living in Yorkshire. They may be in a position to decide what is a good thing with regard to the foreign policy of Great Britain, but I do not think it is egotistical for me to say that I, living in Canada, have just as good a right to take my part in deciding what ought to be the foreign policy of Canada. I think that should be clearly understood. I do not propose to take any position inferior to that of my distant cousins in Yorkshire. I suggest that the hon. member for Rosetown-Biggar (Mr. Coldwell) did not lose all the brains he possessed when he left the old land and should not be placed in an inferior position simply because he has come to Canada to reside. There is, then, the need of arranging our affairs in such a way that Canada shall have complete control over her foreign policy.

I should like to ask, in the next place: What should be Canada's policy, from a purely Canadian standpoint, with regard to war? Canada as a nation does not stand in any immediate danger. The United States is our only powerful neighbour, and she, I feel quite sure, will not make any military attack upon us. In fact, those who rely on military force may rest assured that the United States would resist outside aggression upon us, and that for her own sake. Some may feel that we should not be under obligations of this kind. On the other hand, let me ask: Why should we not take advantage of the position in which we find ourselves on this continent? If I live in an area of fireproof buildings, why should I not be happy in enjoying greater immunity from fire hazards?

Those who say that we ought not to be under any obligation to the United States should carry their reasoning to its logical conclusion. The United States has a population of some 120,000,000, and we a population of some 11,000,000. If we are going to be able to "talk up" to the United States, as they sometimes put it on the street, we ought to be prepared to have a national defence program at least as large as that of the United States. Surely that is an absolute absurdity. Why not, on the other hand, recognize that the people of the United States are our friends, and that we may be their friends, and be secure in that happy position?

Lest it should be considered that I am stating what is simply a personal position I should like to read to the house a resolution which was adopted last August by the national convention of the Cooperative Commonwealth Federation held in the city of Toronto early in August. The following resolution on foreign policy and world peace was adopted:

The imperialist powers have betrayed the principles of the League of Nations and are feverishly preparing for another war. The situation is so serious that it is no longer possible to content ourselves with vague declarations about our devotion to peace. A clear and conscious foreign policy has become of paramount importance.

Government Policy and the People: The C.C.F. strongly condemns the secrecy with which foreign policy has been conducted by Liberals and Conservatives alike. Under Mr. King as under Mr. Bennett, it has been the practice to delay and avoid discussion of what our Department of External Affairs has been doing and of what commitments it may have undertaken. Yet upon these secret decisions may depend the lives of tens of thousands of young Canadians. Such conduct is a denial of all the democratic principles of responsible government. A C.C.F. government will take the Canadian people into its confidence on this as on other matters.

Canada and the empire: At present, Canada has not legally achieved complete control over her foreign policy because she is technically at war when Great Britain is at war. The C.C.F. therefore favours legislation similar to that recently passed in South Africa, which will remove the legal and constitutional obstacles to independent action by the Canadian parliament and government on all questions of peace and war. Such legislation will make it clear to the world that Canada is free to be neutral in any war, even in one in which the other members of the British Commonwealth are engaged.

Canada and the League of Nations: The C.C.F. reaffirms its belief that the principle causes of war in the modern world are economic competition, the struggle for raw materials and markets, and the class conflicts, which are an essential part of the capitalist system. It is evident that the most socialist countries to-day are the strongest influence for peace, whilst militarism, aggressive nationalism and war propaganda are flourishing amongst the capitalist and fascist powers. The change from capitalism to a socialist economy planned in the interest of the people will be the best protection against war.

It is, however, clear that a properly organized League of Nations can be of great help in organizing world opinion against war and in establishing a system of collective security to prevent aggression. The present league has failed because imperialist governments have used it as a screen behind which to play the old game of power politics. To be effective the league must provide machinery for the peaceful change of treaties; it must deal fearlessly with economic conflicts arising from trade rivalries and from the struggle for raw materials; it must work out in advance a clear policy for

collective action against an aggressor; and its members must disarm. The C.C.F. will actively support any policy which aims at such developments in the league.

Neutrality: Until such reorganization is achieved, the C.C.F. believes that Canada should remain strictly neutral in case of war regardless of who the belligerents may be. The Canadian government should avoid all commitments in any schemes of imperial defence and should confine its defence policy to local Canadian needs.

An hon. MEMBER: Who wrote that?

Mr. WOODSWORTH: Somebody asks: Who wrote that? I am not quite sure who drafted the resolution, but it was passed at our convention with a very large majority.

Let me come to the second clause in my motion:

That at no time should Canadian citizens be permitted to make profits out of supplying war munitions or materials.

It seems to me, Mr. Speaker, to be utterly despicable to profit by the miseries of others. Canada like most other nations has imposed trade restrictions, which are always a cause of friction. Further, we have allowed certain groups of Canadians to profit out of the troubles of others, and apparently we are proposing to permit this on an even larger scale. Doctor Stephen Leacock is reported recently as having said:

Europe's preparation for war, in a cold mean business sense, helps us immensely.

Something more than a recognition that this is a cold, mean, business proposition is necessary if we are to avoid the inevitable consequences of such a policy. I venture to quote a passage from Scripture, which I think still holds good, "Be not deceived, God is not mocked." That nation which permits its citizens to profit out of the miseries and bloodshed of others, is headed for disaster and richly deserves its doom. As I said earlier in my remarks, if we want peace we must be prepared to pay the price of peace.

I come now to the third clause of my motion:

That the Canadian government should make every effort to discover and remove the causes of international friction and social injustice.

As I have done before in this house, I urge a scientific approach to this problem. We have all had more or less of a scientific training, either academic or practical. If your car stalls, you do not say resignedly, God wills it; you do not pray about it; you may curse it, it is true, but you get out and try to find out what is wrong. Before a doctor prescribes he makes what he calls a diagnosis, a careful study of the case in order to discover the cause of the trouble. Ultimately the medical health officer, it appears to me, will to a large extent replace the individual practitioner. Now war, like disease, does not come simply out of thin air. It is the result of definite, ascertainable causes, and our job is to discover and to remove those causes.

What, then, are the causes of war? In the past there has been the pressure of population; there have been dynastic and religious wars, and so on. I think the cause of modern wars might be classed largely as psychological and economic. Many nations have developed a sort of megalomania, or magnified sense of their own importance, and in consequence we have "Deutchland uber Alles," "Britannia rules the waves," "Japan the child of heaven," and all that kind of thing. We learn to think and speak contemptuously of our rivals or of those whom we call "lesser breeds without the law." As long as we apply opprobrious terms and have this manner of looking at things, we are undoubtedly laying up trouble for ourselves in the future. But I submit that the economic causes of war are more fundamental. Since machine production has been adopted there has been a search for markets and for sources of raw materials. This was followed by an effort to secure fields of investment, which generally meant markets for capital goods. Markets and investments and trade routes had to be protected. The flag followed trade. Thus we see the development of that imperialism which is one of the characteristics of the last fifty years. Modern wars in a very large measure have been occasioned either by the extension of territory or by the defence of empire. According to a recent book issued by the Carnegie Endowment for International Peace, the western powers now control 84·6 per cent of the earth's surface. Japan has recently more than trebled her holdings. Great Britain controls nearly twenty-five per cent of the world's total population. Here, then, we have a situation that undoubtedly is fraught with danger. Let me quote Mr. Harold Butler, director of the International Labour office:

War is not caused wholly or mainly by lust for territory or booty or prestige; it is also caused by low standards of living, by the feeling of economic insecurity, by the desire for moral or social emancipation. The founders of the organization were right when they discerned an indissoluble connection between peace and social justice.

There you have it in a nutshell—we cannot have peace until we have social justice.

As I see the matter, there are two cardinal principles that should underlie Canadian foreign policy. The first is to keep out of war—

I think I could almost add "at any cost." The second is that we must seek to remove the causes of war. Let me once more quote Mr. Butler:

> No doubt the underlying causes which have brought the world once more face to face with disaster are largely to be found in the deep-seated flaws of the economic structure which were created or intolerably aggravated by the world war.

Future wars cannot be national wars. They will result from the clash of rival imperialisms and antagonistic class interests. In such wars there can be no neutrals, and it will be a fight to a finish. I ask: Is there no other way?

In closing, may I say that I do not accuse the members of this house or any other Canadian of really wanting to bring on war, but I am compelled to think that a great many rely upon armaments as a defence, even when again and again it has been shown that armaments are not effective. We as a people follow those policies that inevitably lead to war and we refuse to try out any policies that might bring peace.

Last Christmas, when peace and good will were literally in the air, or on the air, I listened on the radio to those messages of love which were going out from fathers and mothers to their sons in the far northern country. One could not but be stirred by the tones of the mothers whose voices trembled with emotion. They sent out a few words to their boys in far-off mining camps or in patrols in the Arctic. I felt that that is true Canadianism—not this talk of war, not this preparing to send those boys to Europe, but the conquest of the natural resources of our own country and the building up here of a country that is worth while. Then I listened again and I heard once more, in a round-the-world broadcast, those wonderful old Christmas carols so familiar to us all. These were coming to us from the various British dominions, and not only from them but even from Germany and other countries that we are coming to hate or to despise but that, after all, share with us a great cultural heritage. I am convinced that if we spent one-tenth of the money and effort which we would have to spend in war, in getting together now as groups and nations, to discover the road to peace, we would be able even yet to avoid that greatest of all disasters—another world war.

One other radio message to which I listened on Christmas day was the presentation of that old Christmas story of Charles Dickens, "A Christmas Carol." Some way or another old Scrooge had discovered through that series of dreams a new way of life. It may seem to us quite inconsistent that a man can give up his money and still be happy. Scrooge learned, when he ceased to be a miser, that there was a great deal more in life than he had imagined. He entered upon a real life. I could not but wish that we had in Canada to-day some Charles Dickens who could do for us in these days, in some measure, what was done a hundred years ago in Great Britain. We need someone to-day to reveal to us what are the true realities and what is the true way to peace; that we can afford to give up instead of holding on, and be none the poorer; that we can afford to regard the stranger as a friend instead of an enemy. And while I do not want to be guilty of making a mere emotional appeal, I say that we stand to-day in a position in the history of our own country and of the world when it is imperative that every thoughtful citizen should consider whether there is not yet some way in which we can avoid a war; and further that if war comes, Canada at least may not be in it.

Right Hon. W. L. MACKENZIE KING (Prime Minister): The resolution which my hon. friend the member for Winnipeg North Centre (Mr. Woodsworth) has just introduced relates to the foreign policy of Canada, and it sets forth certain principles to which my hon. friend asks that the foreign policy of Canada should conform. May I at once say to my hon. friend that I agree with him in stressing the importance of discussion in this house of Canadian foreign policy. I do not think, however, he was quite fair either to himself or to the house when he told us that the Cooperative Commonwealth Federation had denounced both political parties—the old political parties so-called—for not having permitted in this house an early opportunity of discussion of foreign policy. My answer to my hon. friend is that we are now discussing foreign policy within ten days of the opening of parliament, and that at a very early stage of previous sessions, had they wished so to do, precisely the same method as he has adopted to-night was open to my hon. friend and to all other hon. members of the house to bring about a similar discussion of foreign policy. If, in previous sessions, my hon. friend has been disappointed in not having as early a discussion of foreign policy as he might have wished, he has only to thank himself for any delay or omission there may have been in the introduction of an appropriate motion.

Mr. WOODSWORTH: Will my right hon. friend permit me? I believe that even last year the Prime Minister refused to enter into a discussion of foreign policy on the ground that it was not wise to do so at that time.

An hon. MEMBER: He adjourned the debate.

Mr. MACKENZIE KING: If I recall correctly what took place last session, it was that it was considered advisable to agree upon a day for the discussion of foreign policy; that conditions in Europe at the time rendered it inadvisable to have the discussion early rather than a little later on. The house generally agreed with that view. When the time came, a full day and, I think, more than a day, was allowed for the discussion.

However, my purpose in speaking to-night is not to disagree with my hon. friend any more than I can possibly help but rather to agree with him as much as I can. There is much in the resolution which he has introduced, which, I believe, is in the right direction.

The resolution has three distinct proposals setting forth principles to which Canada's foreign policy should conform. With one of them I am in entire agreement. With another, I agree in part. With the third, I totally disagree. I believe the hon. member would have made his resolution more logical if he had dealt with its third proposal first, and reversed the order in which he discussed the other two. The resolution reads:

> That, in the opinion of this house, the foreign policy of Canada should conform to the following principles:
>
> 1. That under existing international relations, in the event of war, Canada should remain strictly neutral regardless of who the belligerents may be.
>
> 2. That at no time should Canadian citizens be permitted to make profits out of supplying war munitions or materials.
>
> 3. That the Canadian government should make every effort to discover and remove the causes of international friction and social injustice.

I submit that the last of these proposals should have been discussed first. If causes of international friction and social injustices were removed there would be no wars. There would be no occasion to discuss neutrality if there were no war. I agree entirely with my hon. friend when he says that the Canadian government should make every effort to discover and remove the causes of international friction and social injustice. I believe it is true that the governments of Canada, speaking generally, have had that as a primary objective. So far as opportunities have permitted, this country, speaking generally, has sought, in cooperation with other countries, to do what it could toward removing the causes of international friction. Certainly the present administration has put that objective in the forefront of all its endeavours. There never before was a time when, so far as relations with other countries are concerned, Canada's position was better than it is to-day. The policy of the good neighbour is outstanding, I believe, in the relations between the United States and Canada. So far as other countries are concerned, we have sought in every way possible to show them that it is our desire not only to trade with them, but to have the friendliest relations in all directions, and to cooperate with them as much as possible in removing their grievances as well as our own. My hon. friend will not say that the world must look to Canada alone to remove social injustice or the causes of international friction. That is work which of necessity requires cooperative effort. I believe that this country, in conjunction with the great country to the south, in the constitution of the International Joint Commission, to which are referred questions capable of creating differences between the two countries, has set the world the finest example it enjoys in the way of dealing with possible international differences. By the establishment of legations in the United States, in Japan, and in France, we have endeavoured to show our desire to conduct our relations with these nations, our nearest neighbours, in a way which would help to promote good will as between them and us.

Speaking of concrete policies, we hold very strongly, and I believe my hon. friend does also, that certain economic policies may be the cause of international friction; that, for example, high tariff barriers, which destroy trade between countries, help to create a condition of economic nationalism which is at the root of much of the unrest from which the world is suffering to-day. From the time the present administration came into office, we have done our best to remove some of these causes, and to make clear that our policies were in the direction of removing them as generally as we possibly could. I cannot recall any instances where we have imposed barriers to trade. I can mention innumerable instances in which we have removed barriers and, to that extent, created a more friendly and favourable relation between other countries and ourselves.

May I refer to two outstanding causes of friction between other nations and Canada which we found when we came into office. We had left office in 1930 with a prosperous trade

between Japan and Canada, and with the best of relations existing between the two countries. When we came back into office in 1935, a trade war was being waged between Japan and Canada. Owing to disputes over the interpretation of statutes and restrictions imposed in various ways, there had come about a cessation of trade between the two countries. This trade war might have led to bitter enmity between the two countries had it been allowed to continue indefinitely. We set about immediately to remove the causes of friction. We succeeded in removing them, and from that day to this the relations between Japan and Canada have improved economically and in other ways to the mutual benefit of the two countries.

Under the previous administration Canada had placed an embargo on certain of the products of another great country, as a result of which an embargo had been placed on products going to that country from Canada. In less than a year from the time the present government came into office, we were successful in arranging for the lifting of the embargoes which had served to destroy trade between Russia and Canada. When I attended the League of Nations last fall, I had occasion to speak on the relations of Canada with other countries of the world. Fortunately I was able to say that, so far as Canada was concerned, there was not a single country in the world toward which we were exercising discrimination in the matter of our trade; that we were ready and willing to trade with any country which was prepared to trade with us. But had it not been for the removal of the embargoes which were in force when we assumed office, I should have had to make an exception to that statement, an exception which it would have been most unfortunate for me to have to make at that particular time and in that particular place. These are but instances of the general policy of the government, a part of its foreign policy based upon a determined effort to remove causes of friction wherever they may exist between other nations and ourselves.

I believe that another way in which that objective can be furthered and is being furthered by Canada, and has been furthered by all governments that have held office in Canada, is through a policy of non-interference in the domestic affairs of other countries. We have become so used to boasting of our right to govern ourselves, and of our complete autonomy in all matters of government, that it is very natural for us to adopt toward other countries the attitude that their matters of domestic concern should not be made the subject of direction on the part of other countries. That is a very important position to maintain to-day having regard to the turn of events in many countries. As the house well knows, some nations have changed their form of government and system of social organization. There are political philosophies and economic doctrines held by some nations, to which other nations strongly object. I am certain that any effort on the part of one country to dictate to other countries what their political or social systems shall be, cannot, in the long run, do anything other than make for trouble and friction. Canada has been careful not to interfere in any way with the domestic affairs of any other country. I might go on to mention numerous other instances where we have sought to avoid and to remove the causes of friction, but perhaps I have given enough to make clear what the objective of the ministry is in that particular. I cannot, on the other hand, think of any case in which the present government has created friction with other nations. That, after all, is perhaps the strongest indication of what we are seeking to do in our relations with other countries and of the success of our foreign policy.

I listened with interest to what my hon. friend said in the concluding part of his remarks about trying to improve conditions generally; his suggestion was that instead of spending money on armaments and munitions, it should be spent on social well-being and human betterment. As my hon. friend spoke, there came to my mind those lines which Longfellow wrote many years ago on the Arsenal at Springfield. As nearly as I recall them at the moment, they ran something like this:

> Were half the power that fills the world with terror,
> Were half the wealth bestowed on camps and courts,
> Given to redeem the human mind from error,
> There were no need of arsenals or forts:
>
> The warrior's name would be a name abhorred!
> And every nation that should lift again
> Its hand against a brother, on its forehead
> Would wear for evermore the curse of Cain!

These words were written some years ago. They were true then. They were equally true nearly two thousand years ago. The great principles which underlie them were enunciated by the founder of Christendom almost two thousand years ago.

Mr. WOODSWORTH: Never practised, though.

Mr. MACKENZIE KING: No, that is the unfortunate part, and it is because they are not practised that we find it necessary to do some things which otherwise it would not be necessary for us to do.

My hon. friend, speaking about social conditions, referred in the earlier part of his argument to conditions in cities. He said that we would not have any need of fire engines and like apparatus or of firemen if our houses were all properly built, and if we did not have jerry-built houses. Well that is not quite true. Let us assume for the moment that we have a city with properly constructed buildings. My hon. friend has not made allowance for one thing, the thing of which we have been speaking, namely the possibility of someone whose mind is not free from error being guilty of arson, setting fire to a building, and the certainty of the fire spreading to all parts of the city unless there are firemen and fire engines and other forms of protection. That is pretty much the position the world is in to-day. There are many men and women in all countries who are just as anxious as my hon. friend not to have their sons sent to war, not to have their homes bombed, not to have their families smothered with gas. But they are trembling to-day lest those very things may come to pass. That fear is not confined to any one country; it exists more or less in every country of the world. We are fortunate in having reason to feel that we are least likely to suffer in this way. The possibility of these conditions exists because the human heart is not free from error, because the principles of Christianity, which I believe my hon. friend shares as strongly as I do, have not been practised, and men throughout the world still lack that regard for their neighbours which they ought to have, and are not prepared to extend to their fellow men the understanding, the sympathy and the love which they should extend. That is what makes it necessary for those who desire to follow the law of peace and health and work to place themselves also in a position where they may be able to resist those forces which make for destruction and death.

Mr. WOODSWORTH: Are we to wait until the others practise all these virtues first before we try to put them into effect?

Mr. MACKENZIE KING: I do not know that I quite get the force of my hon. friend's remark. Unhappily the angels of light or of darkness do not preside exclusively over any particular country, over any particular race or any particular class; they contend for supremacy in the breast of every individual. In some breasts the angels of darkness triumph, and in others the angels of light. As long as they continue to carry on their conflict in individual lives, so long will those who are seeking the good of their fellows have to be prepared. Whether they like it or not, to protect themselves and others against the possible injury which may be wrought where the wrong forces obtain the ascendancy.

To explain the causes of the world's unrest to-day, one would have to soar into the realm of metaphysics and discuss the fundamental problem of good and evil. There can be no denying the fact that forces of evil are present in the world, fighting against the forces of good. As long as there is this conflict, those who wish to see the good triumph must take every possible means to prevent evil from gaining control.

My hon. friend referred to the estimates. He stated some were claiming they were evidence of preparation for another European war. The hon. member asked: Are these estimates for that purpose? Are they for the defence of Canada, or what are they for? I am not going to anticipate what the Minister of Defence (Mr. Mackenzie) may have to say when the estimates of his department are before this house for discussion. But I do wish to say at once that, as far as the estimates presented to parliament at this session are concerned, any increase placed there has been only and solely because of what the government believe to be necessary for the defence of Canada, and for Canada alone. The estimates have not been framed with any thought of participation in European wars. They have not been framed as a result of any combined effort or consultation with the British authorities, beyond what would obviously be in the interests of all in the matter of gaining the benefit of expert opinion where expert opinion was obviously desirable. So far as policy is concerned, I wish to make it perfectly clear that no request of any kind has come from the British government to our government with respect to a single item that appears in the estimates as they have been brought down. Whatever is there is there as a result of what this government feel is necessary in Canada to-day, Canada being part of the world as the world is to-day.

My hon. friend has referred to the United States and the detached position of that nation, and the determination of the United States not to become entangled in European or Asiatic affairs. What he said in that

regard is perfectly true. But it must be obvious that at no previous time has the United States found it necessary to spend the amount of money it is spending to-day on purposes of defence. May I repeat that whatever has been done or is being proposed with respect to necessary increases and expenditure to bring Canada's defence to a more efficient standard than at present has been done with consideration for the needs of Canada and of Canada alone.

I come now to the second clause in my hon. friend's resolution—

That at no time should Canadian citizens be permitted to make profits out of supplying war munitions or materials.

—Here I find myself pretty much in accord with what I think my hon. friend has in mind. I share the hon. member's abhorrence of anything in the nature of profiteering. I cannot imagine a more contemptible means of seeking to make one's fortune than by doing so at the expense of the lives of others. But that is not the purport of the resolution. The resolution states that at no time should Canadian citizens be permitted to make profits out of supplying war munitions or materials. "No time" goes pretty far. That is where my hon. friend, perhaps more often than anyone else, errs in the drafting of his resolutions. He goes to too great an extreme. When he says "at no time," he simply renders it impossible to have an exception made regardless of what conditions may be.

Let us assume that there were a war; that this country unhappily were in the war, and that we had to secure munitions. Does my hon. friend say that we should not allow any Canadian citizen to make profits out of supplying war munitions or materials? If he does, then all the munitions and the equipment necessary for war would have to be made under nationalized industry. Perhaps the nationalization of the entire munitions industry may be what he has in mind.

Mr. WOODSWORTH: I should be very glad to have it nationalized, but that is not contained in my resolution. The resolution states that no profits should be made out of it. We would not have had our great war debt to-day if there had been no profits made out of the last war.

Mr. MACKENZIE KING: If there are to be no profits, I cannot think of any way in which industry can be carried on other than by its complete nationalization. If my hon. friend can tell me of another way, I shall be glad to learn of it. Of one thing I am perfectly sure; no manufacturer of munitions will engage in that business for the sake of charity. The choice lies between state monopoly and private industry, or partly the one and partly the other. Some years ago the League of Nations recognized that there was great danger in permitting private industry to engage too largely in the manufacture of munitions. I think the league was right in that. I think private industry, where it is engaged in the manufacture of munitions and war materials, has to be watched closely, for the very reason mentioned by my hon. friend, namely to see that excessive profits are not made.

Mr. WOODSWORTH: Did not the private soldier have to risk his life for $1.10 a day?

Mr. MACKENZIE KING: Yes, but that does not affect the point. I am speaking now of how munitions are to be produced without profit, which is what my hon. friend says should be made a part of our foreign policy. At "no time" may mean a period when the country actually may be at war, or it may be a time when the country is not at war. Let us take conditions as they are at present. At the present time, in order to be prepared in the matter of defence, we must have a supply of small arms and of munitions of different kinds. Does my hon. friend say that it should all be manufactured under state ownership and control, which would eliminate the possibility of profits altogether? Unless he goes that far, he must concede that the only other way in which these materials can be supplied, if they are to be obtained in Canada, is through private industry. I agree with my hon. friend that we should seek most carefully to control private industry, but I cannot see how, in a system of competitive industry, you can totally eliminate the possibility of some profit being made.

Guns and shot and powder are not the only materials required for war. They are not the only materials that present a temptation in the matter of profits when war occurs. I think my hon. friend was in this house when we saw at the time of the last war what had happened with respect to the sale of horses and binoculars. Grain and foodstuffs of different kinds become in the nature of war supplies.

Mr. CAHAN: Wheat and beef and pork and cheese and potatoes.

Mr. MACKENZIE KING: Yes, and all the rest of the necessary supplies.

Mr. WOODSWORTH: You might throw in nickel for good measure.

Mr. MACKENZIE KING: And boots and shoes and clothing. Are all these things to be procured only under a government owned and controlled system which will not permit of profits being made? All that could result from a policy of that sort, if it were possible, would be the creation of a non-profit socialist island inside a competitive economy. But I doubt very much if we could get that far in Canada in a great many years, and, even if we did, whether it would be a good thing for the country. Even if we succeeded in bringing about the nationalization of industry to the extent that all war materials could be manufactured without profit, I am afraid that for a long time to come we would not recover what in the interval we had lost in the way of individual initiative and freedom.

As no doubt hon. members know, this question has recently been the subject of very careful study in the old country by a royal commission on the private manufacture of and trading in arms. The commission has just presented its report. As yet the report has not been either accepted or rejected. If I am not wrongly informed, however, members of all political parties served on the commission, the finding of which with respect to this matter is of interest. That finding is as follows:

> The establishment of a universal system of state monopoly of the manufacture of arms is likely to be impracticable, and in present conditions the promotion of general state monopoly should not be a part of the policy of this country.
>
> The abolition of the private industry in the United Kingdom and the substitution for it of a system of state monopoly may be practicable; but it is undesirable. No sufficient case has in our opinion been made out for taking so drastic a step. We believe that the reasons for maintaining the private industry outweigh those for its abolition.

Mr. HEAPS: May I ask the right hon. gentleman if that report was unanimous?

Mr. MACKENZIE KING: My impression is that it was.

Mr. HEAPS: I have a different impression.

Mr. MACKENZIE KING: There may be some reservations here and there, but my impression is that with regard to the clause I have just read, there was complete agreement. The signatures of all the members named on the commission are subscribed at the conclusion of the report. However, I do not wish to argue that point. What I do say is that I believe any similar inquiry in Canada would bring about similar conclusions. Government manufacture may be desirable in regard to certain kinds of essential supplies which we require continuously. As hon. members of the house know, there is a great variety of special articles required as war supplies and equipment. It would be going much too far not to expect these to be obtained, at least in part, from private concerns which would expect to make some profit. Where, however, private industry is permitted to undertake the manufacture of munitions and war supplies, I believe there should be very strict government supervision. All contracts should contain provisions which will ensure that there will be no opportunity for other than a reasonable profit. I may tell my hon. friend that this whole matter has been given very careful consideration by the government. So far as any contracts with which we may have anything to do are concerned, every effort will be made to prevent anything in the nature of undue profits being secured by those who obtain the contracts.

Let me come to the first, and as far as I am concerned the last of the three clauses of the resolution. It reads:

> That, in the opinion of this house, the foreign policy of Canada should conform to the following principles:
>
> 1. That under existing international relations, in the event of war, Canada should remain strictly neutral regardless of who the belligerents may be.

The first objection which I have to that clause is that it binds the hands of parliament entirely. After all, we who sit in this House of Commons have been sent here as representatives of the people of Canada. They have placed their trust in us. They expect us, particularly with regard to matters of peace and war more than anything else, to exercise the wisest judgment it is possible for human beings to exercise. If my hon. friend's resolution were to carry, the hands of this parliament would be immediately tied with respect to the attitude of Canada in regard to war, regardless of what the circumstances of the war might be or of who the parties concerned might be. This is something I could not accept for a moment. Parliament must be free to decide its attitude in the light of the circumstances as they may exist at the time. Parliament acting for the people is the supreme authority in the state with respect to all matters, and certainly with respect to what is most vital to the nation, namely, the question of whether or not it shall be involved in war. The policy of the present administration is that, in deciding matters of this kind, as the representatives of the people parliament shall be the voice of the nation; parliament shall decide.

My hon. friend says that, having regard to existing international relations, Canada should remain strictly neutral regardless of who the belligerents may be. In other words, it does not matter in the least to my hon. friend what the circumstances of a great world conflict may be. It does not matter who is responsible for the conflict. It does not matter what the issue may be. It does not matter what other countries are involved, or what their attitude may be. It does not matter what danger there may be to Canada or the extent to which Canada's interests may be involved. It does not matter what other considerations may be involved. We are to declare now that, under all circumstances, this country will remain neutral. I do not believe that any member of this house except my hon. friend—and I doubt very much whether he actually would—would sanction this parliament tying its hands to that extent.

The question of Canada's participation in a war has been discussed many times in this parliament. Neutrality is just another aspect of the same question. Participation in war is the positive aspect, if I may put it in that way, and the question of neutrality is the negative aspect. Over and over again we have laid down the principle that so far as participation by Canada in war is concerned, it will be for our parliament to decide. Having taken that attitude with respect to participation, I think we might well take a similar attitude with respect to neutrality. It will be for this parliament to say in any given situation whether or not Canada shall remain neutral. At any rate that is the position which the present administration proposes to take.

Mr. WOODSWORTH: In order that the house may be perfectly clear on that matter, may I ask this question: Suppose a crisis should arise where it would not be convenient to call parliament within a few days—it might take a week or two—am I to understand that the government would take no action committing the country to war until parliament had been called?

Mr. MACKENZIE KING: As I recall it, the Militia Act requires that parliament must be convened within fifteen days after the militia has been placed on active service. I do not think it would be possible for the militia to be placed on active service and sent out of the country within that period of time. I do not think any government in Canada would contemplate for one moment the placing of any of the forces of this dominion on service beyond the dominion without parliament meeting in the first instance.

Mr. WOODSWORTH: If I may say so, that hardly touches the point. The Prime Minister just said that neutrality was the negative side and participation the active side of this war question. I should like to get from him a statement as to whether this country might possibly be committed to war, even though it was not committed to the actual sending of troops out of the country.

Mr. MACKENZIE KING: Most certainly not. Our policy is that parliament alone can commit Canada. I cannot make that too clear. At the present time there are no commitments, so far as Canada is concerned, to participate in any war. Equally, there are no commitments of which I am aware, or of which any one else is aware, whereby we agree to remain neutral under all circumstances. The policy of the government with respect to participation and neutrality is that parliament will decide what is to be done.

I think I made the position of Canada very clear when speaking last year at Geneva. I shall quote only two paragraphs of what I said at that time. They will, I believe, remove any doubts there may be in the mind of any hon. member as to the position of the present administration. I want to make it quite clear that we will not necessarily become involved in any war into which other parts of the British Empire may enter, simply because we are part of the British Empire. It is for this parliament to decide whether or not we will participate in a war in which other parts of the British Empire may be engaged. Let me read what I said at the assembly of the League of Nations in the presence of British ministers and the representatives of other nations.

Mr. WOODSWORTH: Before the Prime Minister goes on with that, if I might be permitted, does his statement mean that, even though the British Empire is involved, we shall remain neutral until parliament decides?

Mr. MACKENZIE KING: I have already said that parliament will decide that question. Just how far we shall remain neutral will depend in part upon ourselves and possibly in part upon an enemy which might take it into its head to attack us.

Mr. WOODSWORTH: If Great Britain went to war, does the Prime Minister consider that we would remain neutral when that country was involved?

Mr. MACKENZIE KING: That is the very point I am objecting to in my hon.

friend's resolution. He wants us to say here and now that we will remain neutral no matter what the circumstances may be. My reply to him is that parliament will decide whether or not we will remain neutral. We will not be bound in advance as to what position we will take. We will in a case such as he has mentioned take into account all the circumstances which have occasioned Great Britain entering the war. We will take into account the situation in our own country. In reaching a decision parliament will consider everything that has a bearing on the question of the war.

Let me now read the statements of Canada's position which I made at Geneva. They ought surely once and for all to be an answer as to where Canada stands on this subject, so far at least as the present administration is concerned. There may be—I am not quite sure that there are not—some who will differ from the statement of policy, but it is a statement of the present administration's policy, and it is the policy which the present administration intends to follow as long as it remains in office. These quotations are from a speech delivered at the seventeenth session of the assembly at Geneva on September 29, 1936.

Mr. CAHAN: Is it published separately for distribution?

Mr. MACKENZIE KING: Yes. I shall be glad to send my hon. friend a copy if he has not one. I thought he had one. This is the first statement:

> The nations of the British commonwealth are held together by ties of friendship, by similar political institutions, and by common attachment to democratic ideals, rather than by commitments to join together in war. The Canadian parliament reserves to itself the right to declare, in the light of the circumstances existing at the time, to what extent, if at all, Canada will participate in conflicts in which other members of the commonwealth may be engaged.

There was also the following:

> The Canadian House of Commons by unanimous resolution has made the adoption of undertakings to apply either military or economic sanctions subject to the approval of parliament.
>
> What I have said and quoted does not mean that in no circumstances would the Canadian people be prepared to share in action against an aggressor; there have been no absolute commitments either for or against participation in war or other forms of force. It does mean that any decision on the part of Canada to participate in war will have to be taken by the parliament or people of Canada in the light of all existing circumstances; circumstances of the day as they exist in Canada, as well as in the areas involved.

[Mr. Mackenzie King.]

I do not intend to say more on the subject to-night than to indicate what appear to be the different attitudes being assumed in Canada by various groups of people toward foreign policy and defence, particularly in relation to the question of Canada's participation in war. As far as one can gather from what has appeared in the press, and from what has been said in both houses of parliament, and by public men in different places, it would seem that there are three different positions being assumed with respect to the interrelated questions of empire defence and foreign policy. There are three schools of thought, or three different policies being asserted.

There is what I might call the imperialistic school, and I hope that those who share its view will not feel that I am misnaming it in any way, those who take the position that the British Empire is one and indivisible, and that in matters of defence there should be a common policy, which of necessity means a common foreign policy for the empire. Those who hold this view link the dominions irrevocably with the British Isles with respect to any decision which the latter may make in regard to war. That is the extreme on one side; "a thorough-going imperialism" it has been termed.

Then there is another group, the isolationist, which takes what has been referred to as the "regardless nationalism" view, a thorough-going isolation; the view that Canada should be completely severed from all contacts with countries engaged in war whether the contacts be with other parts of the British commonwealth or with other nations; that we should be an isolated country refusing in any way to be drawn into conflicts across the Pacific, across the Atlantic, or to the south of our boundary.

These are the two extreme views. It is impossible to say in how extreme a form any individual may hold either of these views. Also a point is reached where it may be difficult to say just where one opinion shades into the other, but just as there is a difference between day and night, so there is a difference between these two extremes. As between the two, there is a central moderate attitude, to which it seems to me most of the people of Canada adhere. It fills a middle area in which there is room for a diversity of views and policies having however one thing in common, that the policy must be Canadian throughout. Those holding this attitude are neither imperialistic nor isolationist in their outlook, but they are distinctly Canadian in their outlook. They believe in deciding questions relating to

defence or foreign policy by reference to what is Canada's interest. Decisions must be made by Canada primarily in the interests of Canada. In considering her own welfare Canada will naturally take into account the interests of all those with whom she may be associated, but her position will be based upon what appears to be in the interest of Canada in the situation as it may present itself at the time. It is from this point of view that the present administration approaches the questions of peace and war in a world such as we live in to-day. In practice this will not mean a rigid policy expressing itself in automatic action or inaction as trouble arises, but a policy in keeping with conditions and circumstances. In so far as we come to parliament with an expression of our opinion, we will give it to parliament from the point of view that a certain course should be taken because, having regard to all the circumstances existing at the time, we believe it to be in Canada's interest it should be taken.

If I had to find words, Mr. Speaker, in which to express Canada's foreign policy, I would use those which the Apostle Paul addressed to the Romans, when he said to them, "If it be possible, as much as lieth in you, live peaceably with all men." Those words, applied to Canada as a nation, express our policy. There is not a phrase in that little sentence which is not significant. "If it be possible"; those words are not without their meaning. When we say that we would live at peace with all men, it may nevertheless not be possible in a world such as we are in to-day to live at peace with all men. That is the most serious circumstance with which this country and many other countries are faced at the present time. The world is not in a normal frame of mind. The world has been going through a condition of stress and strain in the last five years which has affected the mentality of men. No one can tell what terrible situation may appear on the horizon at any time. No one can say what mad act may be performed in the course of a crisis which may precipitate a great world catastrophe. God forbid that anything of the kind may come! But no man would be worthy of a place in this parliament who did not realize that there is no part of the world to-day that is not menaced with danger from without, and very few parts not menaced equally from unrest within. It is that fact which lends significance to the next phrase in the sentence I have quoted from St. Paul "as much as lieth in you." "If it be possible, as much as lieth in you"—the Apostle Paul was making clear when he used those words that he realized that within an individual—and it is equally true of a nation—there were conditions or forces which sometimes made peaceful relations with others very difficult if not next to impossible.

A government, in dealing with the affairs of a nation, and particularly with international relations, has to consider all possible situations that may arise. Any action for purposes of defence that the present administration has taken or may take will be due to the fact that, as men of affairs and as men of the world, knowing and understanding something of human nature, knowing and understanding something of the world situation as it is to-day and as it is developing, we feel it wise to recommend such action to parliament.

There is one other thing I should like to say, which has an immediate bearing upon the effect of any declaration of neutrality on the part of Canada just at this time. There are times and seasons for all things. In any action this parliament takes, we shall do well to have regard for the world situation as it is to-day and for the way in which our action may be viewed by other parts of the world. If ever there was need for unity on the part of nations and peoples who hold certain cherished ideals of freedom and liberty, that need exists to-day. We have need for unity in our own country. Nothing can do this country more injury than internal disruptions and differences. We have need for unity as between all parts of the British commonwealth of nations. I for one believe that the British commonwealth to-day is exercising a greater influence for peace than any other force in the world. For my part, instead of talking about the danger of Britain dragging us into war, I would say that I think there is not a man living in England to-day who wants war. I believe that the entire British nation—working men, professional men, public men, all classes—are determined to exercise their powers to the last degree to avert a great world catastrophe and to prevent if possible a war into which Britain may be drawn. What Britain has done to appease antagonisms in the last few years is something that the rest of the world hardly begins to appreciate. What, I wonder, would be the condition of Europe to-day if Britain had not endeavoured, as she has at every moment, to avert or circumscribe conflict? She has been the great pacifier. If, at the moment, the Spanish civil war has not grown to proportions involving the whole of Europe and

possibly other parts of the world as well, too much credit cannot be given to Britain. We shall do well to keep this thought in mind as we discuss our relations with the British empire.

Let me proceed. There is more need of unity to-day than ever before, not only among the peoples of the British commonwealth, but among all the English speaking peoples of the world. There is great need of unity between the British commonwealth of nations and the United States in seeking to preserve the traditions and safeguards of freedom and of liberty upon which both great political entities are founded. Let me add that there is need to-day for unity among all those nations which cherish democratic ideals and individual freedom, and which in matters of government seek to maintain democratic institutions.

What would be the effect, regardless of who the belligerents may be, of a declaration of neutrality on the part of this parliament to-night? It would simply offer succour and support to those forces that are ready to oppose Canada, to oppose the British commonwealth of nations, to oppose the English speaking peoples, and that have their hand out against democracy and democratic institutions. In the eyes of the world it would simply be a "contracting out" of any endeavour to preserve all that we hold dearest in our national and in our individual lives.

I should like to have said something with regard to the League of Nations; I might just express one thought and close with it. I agree very largely with what my hon. friend has said to-night about the league being founded in some respects on a wrong principle. At the time the covenant was framed, the world was far too much under the war mentality. Instead of emphasis being placed upon the attainment of peace by peaceful means, friendly consultation and cooperation, too much reliance was placed upon force or the threat of force. Had it been otherwise, the world situation might be quite a different one to-day. The league has failed, in part because emphasis was placed upon the prevention of war by warlike means, rather than upon a constructive peace policy based upon the investigation and disclosure of the causes of grievances between nations, and their removal through the operation of an informed and enlightened world opinion. As my hon. friend said this afternoon, war never solved any problem. It has generally made it worse than it was before. Undoubtedly the only way in which these great problems will ultimately be solved will be by getting rid of the fundamental grievances that lie at the root of them.

I believe that the League of Nations has yet a great part to play, but it will be able to play that part effectively only when it comes to have universality of membership. A league of nations without the United States, or Germany, or Japan, with Italy neither in nor out, with Brazil out, and with other nations not prepared to live up to obligations which they had assumed, is not an institution which can maintain peace. The reason some countries never came into the league, and the reasons why others went out, or were unwilling to assume risks involved were in part because of the war obligations which the league imposed upon them, or to which they saw its obligation were certain to lead. I believe that with a revision of the covenant which will enable the league to proceed long lines which with further consultation, conciliation and mediation, we shall see develop a great institution which will serve the world well. I had that feeling very strongly at the League of Nations last year. One felt at Geneva in a very real way the absence of Germany, of Japan, of Italy, of the United States and of one or two other countries. The one thing the statesmen of Europe were seeking above all else at that time might have been found at the league, had it been formed originally on a peace basis rather than a war basis. The English, the French and others were asserting the need of a conference of the great powers of Europe. Up to the present time they have not been able to bring such a conference about. Had the league from the outset been functioning as a body for consultation, for conciliation, for mediation, those countries would have been there, and such a conference would have taken place in the natural course of events. I believe that had there been a conference among men of the character of those who were in attendance at the league, with those of the countries not represented who hold the positions of secretaries of state in foreign affairs of their respective countries good results would inevitably have followed.

Miss AGNES C. MACPHAIL (Grey-Bruce): It is rather a pity that I did not speak before the Prime Minister (Mr. Mackenzie King), because I was all ready to tender him very hearty congratulations upon his speech at Geneva and to spend some time praising his courage and the clear-cut action which he took there. But the encircling of the circumference of opinion which he has done to-night has tempered my

enthusiasm. The imperialists ought to be fairly well satisfied with the second last part of his address. At any rate it impressed me as being an assurance to them that they need not worry too much.

The thing that concerns me, all the more so after the Prime Minister's utterance just now, is this new cry of old words—the defence of democracy—even if we have to go to war about it. We fought one war to make the world safe for democracy, but we have had less democracy since than before, and now one can see the same slogan getting into current use again. Surely we ought to be able to think up something different. I saw the other day that Anthony Eden had said that we ought to have a nation fit for heroes. That is so close to "homes fit for heroes" that he should not be credited with originality. It is these recurring phrases that startle thinking people, and I believe that everyone in this house, to whichever group he may belong, is deeply concerned. We all fear another war and we fear that Canada will be dragged into it. But I really did not think we should ever be asked to go to war again on the same old slogans; I thought new ones would be devised.

The hon. member for Winnipeg North Centre (Mr. Woodsworth) ought to be congratulated upon having, by means of this resolution, brought up the question of Canada's foreign policy. Whether we entirely agree with the resolution or not, it has served a very useful purpose, and certainly with parts of it I agree. I agree with the hon. member when he says that Canada's foreign policy has not been given any considerable place in the parliament of Canada. I have been in this house for fifteen years and Canada's foreign policy has been for the most part either too important or not important enough to be discussed; there has always seemed to be some reason why it should not be given a major place in the debates of this house. I suppose that one reason why Canada's foreign policy has been hazy, particularly in the years since the war, has been the fact that there are three distinct schools of thought in Canada. I shall not describe them by the names which the Prime Minister called them, but no doubt I mean exactly what he meant. There is the league or collectivist school; the imperialist school—whether or not that is what was called by the Prime Minister a Canadian school, I cannot be sure—and there is the North American or the Canadian or the isolationist school. If my judgment is correct, the tendency to-day is toward a thoroughly Canadian policy which recognizes more clearly than before Canada's geographical position. In my opinion the government deliberately refrained from being too specific —and I am referring not only to this government but to others—with respect to its foreign policy, because, should it come out for any one of these three schools, it would thereby offend the other two. So that more harmony was achieved by being vague than by being concrete in the enunciation of foreign policy.

Last September the Prime Minister took what I considered at the time a more heartening attitude. I did think the speech he made at Geneva was a courageous utterance. I am sure it must have been an almost terrifying performance to Geneva in later years to hear someone say what he actually thought about international affairs. At any rate, I did think the Prime Minister on that occasion said some things which very much needed saying. In this regard I am depending solely upon the reports of the press at that time. The week after the speech was made I went to the Department of External Affairs to secure a copy, but at that time they did not have one. If any copies are available, I hope to get one. As I say, therefore, I am taking my quotations from the press of that time. Some of the sentences used by the Prime Minister were these:

> "The means of solving the problems of Europe were best known," he said, "to the nations of Europe themselves, and were likely at this juncture to be more effective if applied by direct negotiation."

I thought it was quite time that someone made that statement at Geneva and I was happy to realize it had been made by the Prime Minister of Canada. In my opinion we have been thinking, far too long, of European problems as something which it was our duty to solve. The nations of Europe should set about solving their own problems; at any rate, they should not expect people who live as far away as we do from the seat of their continuous trouble to have the unabated interest in their problems that they themselves have. I felt that that was a telling sentence.

I agree entirely with this longer statement:

> Canadians—

I think he could have said North Americans with equal truth.

> Canadians viewing Europe from their own country were struck with the violent nature of the propaganda and recriminations hurled incessantly across frontiers, the endeavours to draw all countries into one or the other ex-

tremist camp, in the feverish race for rearmament, the hurrying to and fro of diplomats, the ceaseless weaving and unravelling of understandings and alliances and the consequent fear of peoples.

After discussing our neighbours and our lack of neighbours he went on to say, and this is a position which I have taken for some time:

It would be unreasonable to expect a North American state to have the same international outlook and the same conception of interest or duty as an European state facing widely different conditions.

Again he made this statement:

Perhaps it would be helpful all round if we would recognize—

I call his attention to this particularly to-night.

—that differences in policy where they exist do not represent a superior or an inferior outlook, but in the main correspond to the difference in circumstances that we face.

That, I think, needed saying at Geneva. Mr. M. H. Halton—I believe this appeared in the Toronto Daily Star—commenting on the Prime Minister's speech had this to say. There was a good deal of comment in the lobbies at Geneva over the speech and he quotes one of the British delegation as follows:

"An excellent speech," said one member of the British delegation here. "Talk all you like about the ideal of imposing peace but it won't be done. Mr. King faced realities. We know for good or ill Canada won't and can't be expected to bind herself in advance to enter a war which is none of her doing."

British opinion on the whole has two sides. They appreciate Mr. King's following Britain's lead in saying this is no time for league reform, but naturally they can't be happy at what is almost unanimously interpreted here as an isolationist tendency. The nearest of all to a unanimous view is the opinion that what Mr. King said needed saying, if it actually represented the majority opinion of Canadians.

In my opinion what the Prime Minister said at Geneva did and does represent the majority opinion of Canadians. I do not feel as happy about his speech to-night as I did over the reports of his speech delivered at Geneva.

When the war was over and the League of Nations was being born, I felt that there was hope that the league would be a real league; that all nations would belong to it; that the ideals which were enunciated at that time would dominate the league. Since then, while I still believe in the ideals of the league, I have come to feel that the great powers use the league for their own purposes; when they wish to make much of it they do and when they wish to, they slight it. That is the cause of the failure of the league, together with the injustices embodied in the treaty of Versailles.

In Canada, in the last two or three years particularly, there seems to have been a confusion—it appears to me so—which brought the imperialists and the collectivists so close together that I can scarcely distinguish between them. They wanted the same action, although they wanted it for different reasons. They both seemed to favour economic sanctions and might possibly both have favoured military sanctions. At any rate I did not find myself in recent months in agreement with either school. It grieves me to say that, because in the early days I was so enthusiastic a collectivist, and had such high hopes for the league, that if I say I have to a great degree lost confidence in its ability to render the service I expected it to render I feel in a way disloyal, not that I have changed my opinion of the ideal of the league.

Some day we shall come to the task of forming a better league, and it will take into account some things which were not sufficiently stressed before. One will be the principle of graduated responsibility. We were wrong in supposing that all parts of the world would be equally interested in a given crisis. Always the people who live closest to the place where the crisis is will be much more interested than those who live further away. That has swung me—and I say it quite frankly; I am not going to try to confuse my position in a multitude of words and sentences, I am not good anyway at hiding my thought, but I want to make my position exceedingly clear—that has swung me and I think a great many other Canadians to what I call a North American point of view. If the house likes to call it an isolationist position let it be so. One thing about Canada which we can be sure will never change is its geographical position. We cannot be sure it will not change in other respects. That geographical factor will in the long run determine Canada's foreign policy. Canada is not across the channel from Europe, so that, although we may try to deceive ourselves into believing that we think as we would if we were across the channel from Europe, actually our thinking is governed by the fact that the Atlantic lies between us and Europe. Therefore, without apology and without feeling any less loyal than anyone else in this house, feeling loyal and entirely Canadian, I say my position is a Canadian position, a North American position, and at the moment an isolationist position. Isolation, however, is only a stop-

gap, not a final solution. But there are many in this house who, if they would admit it, feel that what we now want to do is to cut ourselves adrift from the problems of Europe, and from being dragged into war as the solution of European problems by Great Britain. I have not and do not care to assert that I have that confidence in the ruling caste of Great Britain which the Prime Minister has just now stated that he feels. I have very little confidence in the ruling caste of Great Britain; I have no faith that they would keep us at all times in a position which is good for us. I believe the ruling caste of Great Britain will sacrifice the masses of Britain and will sacrifice Canada to their own interests. If saying that is disloyal, then I am disloyal.

Before the estimates for national defence are debated the Canadian parliament should be very sure of the reason for increasing them. Are we getting ready for an overseas conflict? The Prime Minister may not think we are, but what does our military caste, small as it is, think? How closely are they in touch with the military groups in Great Britain? We need to know the answer to these questions. Are we getting ready to defend Canada against possible enemies, I do not know who they are, but whoever they are? The kind of defence we should have depends upon the answer. If it is to defend Canada, we would need coast defences and an efficient air force. If Canada is preparing for war abroad a mobile unit to be sent swiftly overseas would more likely be required. The parliament and the people of Canada have a right to know for what purpose we are to spend the money.

Canada is very fortunate; our defence is three oceans; the Atlantic, the Arctic and the Pacific, and the United States to the south, that more than anything else. Nor do I think it is disloyal to recognize that. A glance at the map is proof. It would be foolish to pretend that we are in the same position as New Zealand or Australia or South Africa or Great Britain. When we are judging the efficiency of Canada's defence forces, it must be in relation to our position; we must think not in terms of other parts of the British commonwealth, but in Canadian terms, terms of what is good for Canada. That is loyalty in its highest terms. Surely loyalty has something to do with Canada. It is true that when we take an oath of allegiance we never mention Canada; we take no oath of allegiance to the people of Canada or of faithfulness to their best interests. But surely loyalty must touch the land of our birth, the land which is ours, and the land which I love above all others. It would be the sheerest hypocrisy for me to say that I love Great Britain as dearly as I do Canada. I do not; I love Canada more than any country in the world.

Mr. LAPOINTE (Quebec East): So do we all.

Miss MACPHAIL: A lot of people do not say so. What I am saying is that we do not need to explain our loyalty. If we are doing what we think is best for Canada, that is the best thing we can do in the circumstances; we cannot expect that we shall all agree.

We hear many glowing words of praise for Sweden and Denmark. Well, possibly Sweden and Denmark are in the position in which they are to-day by reason of many things, but largely because they have kept themselves from wars for a long time. They were closer to the conflict of 1914-1918 than we were; yet they were able to maintain neutrality. Again they are sitting on top of the volcano; whether they can maintain neutrality on this occasion I do not know, but I know they still have the determination to try to. Canada would be well advised to get ready for neutrality. If we wait until the last moment to make our decision we shall not decide for neutrality, because there will be the pull of the military caste, the pull of sentimental imperial ties, there will be many things influencing us against neutrality. If, then, we are even going to consider it we should consider it now, and we should consider the price. I think the United States are acting wisely in this regard. They are preparing for neutrality. I do not know whether they can remain neutral when war comes, but I know they are getting ready to remain neutral, and that is something. That will keep them out at least a couple of weeks longer than would otherwise be possible. In Canada we ought now to be doing everything possible in preparation to maintain a neutral position. Unless we do so we shall be drawn in by forces of which we as a parliament know nothing, about which possibly the government will not know too much and of which the people of Canada have never heard.

Canada is developing a virile national spirit. I do not mean a nationalism which seeks expression for endeavouring to annex other countries, for instance, Newfoundland, the West Indies and Bermuda. I mean a nationalism which is proud of Canada, which is self-respecting, which is determined that Canada will make decisions for herself and that she will not now, as has been the case too often in the past, be unduly influenced by considerations of Great Britain, shall I say. Canada is growing up, and particularly

among our younger people there is a virile Canadianism. They are not so much attached to any part of Europe, or indeed to the British commonwealth of nations, as are those of older years. This is something we have to reckon with at some time, and we might as well admit it now.

As Canada grows up, she should take part in neighbourhood conferences. I do not remember his exact words, but in speaking at Geneva I believe the Prime Minister expressed faith in regional pacts, saying that he thought they came closer to reality in linking obligations with definite contingency and direct interest. Early last December there was a neighbourhood conference of the American republics at Buenos Aires. I see no reason why Canada should not have attended that conference.

Mr. MACKENZIE KING: May I give my hon. friend the reason?

Miss MACPHAIL: Yes, indeed.

Mr. MACKENZIE KING: We were not invited.

Miss MACPHAIL: Did you make it clear that you did not want to be invited?

Mr. MACKENZIE KING: No; we just were not invited, that is all.

Miss MACPHAIL: I am not so sure. If Canada made it known that she wanted to be invited she would be invited.

Mr. LAPOINTE (Quebec East): That is not the way it is done.

Miss MACPHAIL: I would not be surprised if she made it known that she did not want to be invited, though perhaps not so clearly as that. But this was a conference of the Americas, North and South, called to consider the protection of the Americas. A good neighbour takes part in neighbourhood gatherings; that was a neighbourhood gathering, and I can see nothing illogical nor, indeed, disloyal in Canada's participation in any such conference. We ought to get over our adolescent stage and become accustomed to the idea that we are an adult nation. That means that we should be able to go to Buenos Aires and take part in a conference without incurring any sort of condemnation either here or in any other part of the British commonwealth of nations.

Mr. LAPOINTE (Quebec East): Surely they will know now that they should invite us.

[Miss Macphail.]

Miss MACPHAIL: Surely the Minister of Justice (Mr. Lapointe) does not think I am quite so innocent. He cannot fool me so easily.

I come now to the last part of this resolution:

> That the Canadian government should make every effort to discover and remove the causes of international friction and social injustice.

There is no way in which we can help to bring about the ideal expressed in the last part of the resolution better than by removing social injustice in Canada. If in this country we could create an ideal state which would furnish opportunities for all, we would make in that way the greatest contribution to world peace that could be made by us. To-night the Prime Minister made reference to troubles without and within nations. So far as I know, any trouble within Canada, or within most other nations, is trouble related to social injustice, trouble in connection with some having too much and others having too little. Inasmuch as Canada, together with all other nations, seeks to extend opportunities to all, peace will be strengthened.

I think now, even as early as this, we ought to say very plainly to Great Britain that Canada is not in the same frame of mind as she was in 1914; that Canada is unlikely to plunge into a European war without very careful thought, and if everyone thought as I do she would not plunge in at all. Of course it is impossible for anyone to say what the people of Canada will think once the propaganda gets going. I have seen people swayed almost overnight from a very sound position through propaganda, and one cannot say what might happen again. But I believe parliament, through its various groups, ought to express an opinion on this matter, in order that people not only in Canada but also in other parts of the British commonwealth will know something of the different schools of thought in this country.

Mr. T. C. DOUGLAS (Weyburn): In rising to support this resolution, Mr. Speaker, may I say that I feel the mover (Mr. Woodsworth) has rendered a distinct service in having this question discussed. The Prime Minister (Mr. Mackenzie King) has clarified the situation to a remarkable extent by the statement he has made to-night. The danger of war and the increased preparations for war since this house last met are marked. It seems a remarkable thing that less than twenty years ago we completed one of the greatest wars in

the history of mankind; that around a hundred thousand cenotaphs people pledged that never again would there be war, and that to-day Europe should be an armed camp. It has been estimated that in Europe at the present time there are fifty per cent more men under arms than there were in 1913. Practically every nation in Europe is increasing its armaments at an amazing rate, Great Britain herself having being compelled within the last few years to resort to an extensive armament program.

It might be well to stop and ask ourselves the reason for this remarkable change since 1918 and 1919, when we really believed we had started to build "the parliament of man and the federation of the world." It can be seen quite clearly that during the past five or six years one crisis after another has arisen in international affairs, each a little harder to avoid than the one before, and in each case a compromise becoming a little more difficult to arrange, with the area within which peace was possible gradually becoming smaller. First, it was the Japanese aggression in Manchuria, which for a time looked as though it would cause a war in the Pacific. A compromise was arranged, but only by allowing Japan to retain the part of Manchuria it had occupied. Eighteen months ago another crisis arose, when Italy began to appropriate Ethiopia. Again there was every indication of a war in the Mediterranean, and again war was averted only by a compromise under which the aggressor was allowed to retain his booty.

At the present time we are in the throes of another international crisis. Evidence has been brought forward again and again to show that outside powers are actually giving military assistance to rebels in their endeavour to overthrow a properly constituted and properly elected government. In this case international war is being averted only because we are compromising. The civil war is being allowed to continue.

In view of the gathering clouds all over the world I maintain that a real service is being performed to-night by this discussion and by the fact that the Prime Minister has seen fit to make so clear a statement.

The possible foreign policies which might be adopted may be divided roughly into three classifications. I am not going to go back over the ground already covered except to say that most of us would fall into one of the three classifications. I imagine that these will cut across party lines and racial and religious differences. There are those who follow a more or less imperialistic policy which would commit Canada to war in the event of Great Britain or the League of Nations becoming involved in a war. It would mean that in the event of Great Britain or the British commonwealth of nations becoming involved, Canada would be obligated to send a military contingent across the Atlantic. I think I can agree with the hon. member for Grey-Bruce (Miss Macphail) when she says that such a course would not find favour with a large section of the Canadian people. I do not think I am alone in being delighted with the statement which the Prime Minister made at Geneva to the effect that only the parliament of Canada could declare war for Canada. I do not propose to take up time in reading his speech as he has already quoted from it. For the information of those who have been unable to obtain copies of this speech, may I say that I secured mine from the League of Nations Society. Copies can be obtained there for ten cents, and they are worth at least half that amount, if not all.

The Prime Minister's statement showed very clearly that Canada was not prepared to adopt the imperialistic position. We were not prepared to accept the position that Great Britain, the League of Nations or anyone else might precipitate Canada into a major conflict. When one considers the defence estimates which have been brought down, one wonders whether the government has decided to veer away from that original stand. I do not think it can be stated too often that Canada needs a foreign policy far more than she needs a defence policy. The Prime Minister stated to-night that these defence estimates were purely for defence purposes. They are increased over the estimates of last year, so that must mean that the need for defence has increased since that time. If the need for defence has increased since last year, we as members of parliament ought to know what potential aggressors have become more aggressive than they were last year, and against whom we are increasing our defences. Far more than we need to talk of a defence policy do we need to know what our foreign policy is and against whom we are required to increase our defences.

The second classification referred to by the Prime Minister is based upon the isolationist point of view. There are those who believe that we should refrain absolutely from making any international commitments because of the danger of such entanglements bringing us into a war. Those who are truly isolationists would refuse to utilize any type of peace machinery which would involve the use of force in any shape or form. The best example of this is the United States.

Mr. MARTIN: What about the resolution?

Mr. DOUGLAS: The hon. member for Essex East (Mr. Martin) asks about the resolution. I believe he knows—I am certain the more intelligent members of the house do—that there is a decided difference between neutrality and isolation. I shall come to that in just a moment. Isolation must be based upon one of two things, either regional pacts or very strong armaments. Italy, Germany and Japan have resorted to the former, while the United States has resorted to the latter. While I have a great deal of admiration for the hon. member for Grey-Bruce who stands very bluntly for a policy of isolation, I am convinced that in the long run it could never have any great value. Hon. members refer to geography, but geography is a thing of the past. Only a short time ago Captain Mollison crossed the Atlantic in nineteen hours. Space is being obliterated. In a major world conflict a policy of isolation would be well nigh impossible, particularly for an exporting nation like Canada. Only twenty years ago the United States, a country more self-supporting than Canada, found it absolutely impossible to remain out of a world war even at a time when space was a more important factor than it is to-day. There may come a time when a policy of isolation will be forced upon us, but I am absolutely convinced that the isolationist point of view is hopeless as far as the building up of an effective world peace is concerned.

The time has come when we must either work collectively to build a world peace or be inundated in a world war. One of my complaints about the foreign policy outlined to-night by the Prime Minister is the fact that it is moving steadily and relentlessly towards a policy of isolation. For a long time I have suspected that hon. gentlemen opposite were pro-American in their trade policy, but it is becoming increasingly evident that they are also pro-American in their foreign policy.

The third classification would take in those who believe that we ought to have a system of collective action based upon collective security, with the proviso that Canada, owing to her geographical position, should be relieved of responsibility with respect to military sanctions. Such a policy would involve the acceptance of three principles. First, there would be the surrender of national sovereignty by which a nation gives up its right to decide in matters of international affairs concerning itself, but refers such matters to some international court. Also a nation would have to be willing to forego recourse to war as an instrument of national policy in settling differences.

The second principle involved in a system of collective action would be the setting up of the necessary machinery for the peaceful revision of treaties and for discussions with a view to removing the causes of war. Most of us recognize that any league organized merely for the maintenance of the status quo must inevitably fail. Machinery must be provided from time to time to revise treaties, such as the treaty of Versailles, which no statesman of any standing would seek now to defend. There must be a revision from time to time of territorial agreements. There must be recognition of such problems as the pressure of population, the need for markets and the necessity for colonies. There must be consideration of all those factors that bring nations into conflict one with another.

The third principle involved in the idea of collective action based upon collective security would be the use of force either by economic sanctions or, in the last resort, by military sanctions with a view to restricting those aggressor nations which might, in violation of their pledge, resort to force as an instrument of national policy. Canada, of course—this was put on Hansard last year and I shall not read it again—ever since 1920 has had the proviso that because of her geographical position she would not make any commitment with respect to military sanctions. But in days gone by she has made definite commitments as to economic sanctions, and I am convinced that if the nations of the world collectively were to apply economic sanctions the need for military sanctions would never arise. There has been published just recently the Memoirs of General deBono, who commanded the forces of Il Duce in Ethiopia, and the preface was written by Mussolini himself. DeBono makes the amazing statement that, had the Italians been deprived of their resources of oil at the time economic sanctions were being discussed by the League of Nations, Il Duce would have been compelled to give up his expedition in Ethiopia within three months.

Into which of these classifications does the foreign policy outlined by the government to-night fall? Personally I feel that the government is moving steadily, although perhaps not altogether conscious of it, towards an armed isolationist position. That is made evident by two things: first of all, by the attitude which was taken by the government in the Ethiopia affair, and there is no reason to go back over that, for it was dealt with in this house last year, when this government in conjunction with other governments failed

to bring the full force of economic, diplomatic and financial boycott to bear on an aggressor nation.

In a statement made to this house last year, when the estimates of the Department of External Affairs were up, the Prime Minister said that "collective bluffing cannot guarantee collective security." I submit that neither can collective security be guaranteed by collective duplicity, or by collective cowardice, or by collective evasion of our responsibilities, and that is exactly what took place. While peace was preserved in the Mediterranean, it was preserved at the expense of a primitive people, who, possessing only obsolete weapons, were wiped out and conquered by a country which, in violation of its pledged word, had resorted to physical force.

The second indication of the movement of the government toward isolation was contained not only in the speech by the Prime Minister to-night, but in the speech he made at Geneva. I have already said that the Prime Minister made an excellent speech in the first part of his remarks on that occasion; but in the second part, after having said that nobody except parliament could declare war for Canada, he went on to say that Canada was not prepared to commit itself to economic sanctions—it had never been asked to commit itself to military sanctions—and that we must think of the league in terms of cooperation rather than coercion. He used those terms again to-night. He said that we must have "mediation and conciliation" in the league, all of which I suggest are very fine, high-sounding phrases, but the Prime Minister overlooks entirely the fact that we are dealing with nations not all of whom are equally interested in peace. There are in Europe to-day nations which are avowed potential aggressors. One cannot talk about conciliation with a mad dog. One cannot talk about mediation with a megalomaniac who says that the idea of peace is abhorrent to him. One cannot talk about conciliation with a dictator who says: "We extend to you an olive branch which springs from eight million bayonets." A league such as is envisaged and talked about by the Prime Minister would be an international debating society that would be as effective as a ladies' aid meeting. To take the teeth out of the league, to take from the league all capacity to enforce its decisions, is to make the League of Nations null and void.

The Prime Minister, speaking on his estimates last year, said: "We are not prepared to see the league become an international war office." I do not think any person here would suggest that it should become an international war office, but it might become an international department of justice, not only judging as between nations but also having the power which a department of justice must have to ensure that its decisions shall be carried out; and that is something which the League of Nations as pictured by the Prime Minister to-night certainly does not have. In fact, I find it somewhat difficult to bring into any degree of consistency the Prime Minister's speech at Geneva and the statement he made to-night with reference to the rickety house. He said: We might build a new house, but there is always the danger of a man setting fire to it; because of that danger we must take some action against that man. Agreed, but one cannot take action against that man individually; one must take action against him by acting collectively and passing laws against the crime of arson, and by having police to apprehend the criminal and make him obey the laws of the community.

The Prime Minister spoke of angels of light and of darkness being constantly in conflict. I imagine that the medical men would think perhaps of microbes and bacteria. But we combat these things collectively, not individually, and if the forces in the world that make for war, if the aggressive forces in the world to-day are to be met, they must be met collectively by the peaceful nations of the world.

The Prime Minister spoke to-night of the need for unity between democracies, but certainly there can be no unity between democracies if Canada announces she is not prepared to pay the price of maintaining a peace system. The Prime Minister also spoke of the absence of certain countries from the meeting of the League of Nations held at Geneva last September because of the element of force in the covenant. I grant you that the United States stayed out of the league because of the military commitments contained in the covenant, but I do not think it is correct to say that Japan or Italy or Germany stayed out because of those commitments. They came in when those commitments were there. Rather let it be said that they went out of the league because they were branded as international criminals who had been condemned at the bar of international justice. To suggest that if we take the teeth out of the League of Nations they may all get together in good fellow-

ship is like suggesting that if we rescinded all the laws in Canada, we and the criminals could fraternize and have no more hard feelings against each other.

I submit that the attitude of the government with respect to Ethiopia, the speech which the Prime Minister made last September at Geneva and the statement he made in the house to-night, indicate not a nation that is willing to enter into the responsibility of building a peace front, but a nation that is slowly and inevitably moving toward armed isolation. When the Prime Minister made his speech at Geneva, it was not very surprising that the papers of London and Paris, particularly papers that were pro-fascist, rejoiced in his statement. One of them said, "Canada leads the way out from Geneva." Another said, "Nothing but rags and tatters is left of collective security." Still another said, "The only policy left is isolation, and toward it the dominion is moving with the steady, relentless inevitability of an icecap."

In closing, I wish to submit three things that, I believe, should be incorporated in a peace policy for Canada: First, collaboration in building a collective system to cooperate with the other peace loving nations in the world with a view to building peace machinery. I am convinced that mere "mediation and conciliation," which the Prime Minister has outlined as a proposed new basis, is not enough. We must be prepared to enter into a system for building collective security arising out of collective action, and involving, if necessary, collective economic sanctions against a nation that has become an aggressor.

Second, we should insist that in such a collective system Canada shall not be deemed to be committed to military action in view of her geographical location, which makes the sending of an expeditionary force a very difficult matter, and also in view of the mixed races in Canada, which makes any wholehearted entrance into a foreign war a very dubious undertaking. It is unnecessary to say that in this country we have our friends of the French race; we have other races that have contributed to and made rich our culture right across Canada. Every day I receive letters from people who came from the older civilizations to Canada in many cases to escape from the ruthlessness of militarism, and who shrink at the very idea of being conscripted and sent back again to participate in European quarrels which were not of their making. Because of that, we in Canada should make it clearly understood that military commitments are impossible in such a collective system as far as we are concerned. We should also make it understood that because of distances, and because a blockade would make the sending of soldiers across the Atlantic a costly and risky business, Canada's contribution would be very expensive in proportion to the small amount of service that could be rendered. Further, except in matters of defence we have no potential enemies and should be asked to contribute only to economic sanctions, leaving to those located in affected areas the task of supplying, where necessary, military force.

The third thing I wish to suggest is that, as a lead toward building such a collective system, we in Canada should take steps to place the export of nickel under a national commission with a view to preventing potentially aggressive nations from securing large quantities of war material. I do not wish to infringe upon the resolution on this matter which is coming up later, but I have in my hand a statement of the exports of nickel from Canada from 1929 to the present time. It is amazing that most countries which have been the aggressor nations in the past five years have increased their imports of nickel from this country at an immense rate. The normal increase in nickel imports in most cases works out at an average of about 12 to 14 per cent per annum. I imagine that would approximate fairly closely to the expansion in the industrial and commercial life of the respective nations. But in the case of the nations which have been aggressive over the last two or three years that increase has been 300 and 400 per cent; they have actually trebled and quadrupled their imports of nickel from the Dominion of Canada. I submit that this is a serious problem. It is very little use to talk about mediation and conciliation, about building a new league on cooperation rather than coercion, when we are allowing millions of tons of nickel to go out of our country. It does not take a very fertile imagination to conceive the possibility that there are young boys living in Canada to-night, even some men who are in this chamber to-night, whose bodies will be torn to pieces by the very nickel we are now exporting.

We could begin in Canada to render a real service to the cause of peace, and the building of a really effective system of collective action, by taking steps now to restrict the sale of nickel to those nations which are using it largely for armament purposes. It would not be necessary, as the Prime Minister suggested, that we have a complete nationalization of the industry. In Saskatchewan they have a liquor commission, because the people believe that the liquor industry is such that it should not be left to the desire for profit and the greed

of the private individual to exploit, with the result that no brewery is allowed to sell liquor directly to the consumer; it must be sold through the commission, in bond. The same thing could be done with reference to nickel. I ask the government to consider very seriously the feasibility this year of setting up such a commission whereby exporters and foreign importers could get nickel only through such a commission. This might mean some economic loss. The Financial Post made the statement that for the first nine months of 1936 the International Nickel company showed a profit of $23,000,000. Such an amount of profit might not be possible if a commission such as I have suggested were constituted. But I submit through you, Mr. Speaker, to the members of this house that the making of a profit of $23,000,000 by the International Nickel company or any other company is relatively unimportant as compared with the task of helping to build a system of peace, and demonstrating to the nations of the world that as far as we in Canada are concerned we are prepared to pay the price of peace. I should like to see our people and our government say to the world at large: The nickel in Canada is not ours. We did not put it in the earth. It is a heritage and a trust, and we are prepared to say to the nations of the world: "So long as you want that nickel for the enhancement of human happiness rather than the destruction of human life we are prepared to sell it to you, but when you want nickel, as some nations professedly do, to destroy human bodies, to wipe out cities and to annihilate civilization, then not one ton of nickel is going to leave the shores of Canada for such purposes."

I would ask hon. gentlemen opposite to give this matter serious consideration. In the last war soldiers were shot down by their own bullets; German boys at Verdun died on German wire manufactured in Germany and sent to France through Switzerland. Surely we do not want to see any war take place in which Canadian nickel, sold to some potential aggressor, will, in the years to come, be used to destroy the bodies of Canadian soldiers. I therefore ask that we consider seriously in the course of this debate the possibility of entering into a collective system to build up peace machinery for the world. We ask that Canada, in view of her position and her geographic location, shall be freed from military commitments, and that as a sign of our good faith we shall take steps even now to begin to restrict the sale of nickel, as far as possible, to purely commercial purposes.

Mr. DENTON MASSEY (Greenwood): I am sure that hon. members realize the importance and possibly far-reaching effect of this debate. The hon. member for Winnipeg North Centre (Mr. Woodsworth) has brought to the attention of the house a matter in which he is vitally interested, in which indeed the people of this country are vitally interested. It so happens, as a result of circumstances over which we have little or no control, that there are wars and rumours of war, and many feel that there is danger of nation rising against nation. The hon. member for Winnipeg North Centre did not discuss the ghastly folly of war; he took that for granted, and so do I. Nor did he discuss the un-Christian character of war; that too he took for granted, and so do I. But he was concerned about policies; he was concerned about the policy that we in Canada should have to help to prevent war. He felt that Canada should have an effective voice in what concerns her. That was his language. The alleged war scare has burned deeply into his mind, and so he asks, What can, what must, what shall Canada do in case of war; and, further, what should Canada do now in these days of international unrest?

Obviously the answers to these questions must be predicated upon some knowledge of the position which Canada holds to-day as a nation among the family of nations. Let it be stated here and at once that whatever place Canada holds to-day as a nation among the family of nations was dearly bought for her, bought for her at the ghastly yet noble price paid by the Canadian corps of 1914-1918, those men who willingly gave of their best, indeed their very lives, to form a corps that General Currie so aptly called "the finest fighting force in the allied army." No nation could be ignored that had been able to maintain such a force. Canada's place as a nation was therefore bought for her in those days of war and its accompanying horror, a place which we thought we sealed and sealed proudly the day we became a signatory to the covenant of the League of Nations. Thus we had a right to a voice in world affairs. No longer could Canada be regarded as an unimportant little nation on the North American continent, composed of a handful of people living north of the forty-ninth parallel of latitude. So to-day we find ourselves, it seems to me, in a unique position; for our voice should be stronger and should carry far more weight than we ever thought it could.

We have heard references in this debate to the great size of the United States; we have heard references to-day to the comparative size of Canada. But since the United States apparently elects to speak only in whispers on the backstairs of Europe, Canada finds herself—if she would find herself—in a position to express not only her own views but those of the whole new world. And from that point of view she would be heard with respect in a world court. Yes, we could have a powerful voice in world affairs; but what is the voice of Canada? If we are absolutely frank with ourselves we are compelled to admit that to-day there is no single voice in Canada but there is a cacophony arising from within our borders. And here we are at once in the paradoxical and absurd position of having had bought for us, at a tremendous price, the right to sit in a world court and, by our own enterprise and industry in commerce, a certain strength lent to that voice; yet we are not able to determine what sound that voice should make. In fact we seem to be getting further and further away from that determination every day.

I am not an alarmist nor am I an extremist, but I do survey the present situation with extreme gravity. The possibility—and please note that I do not say the probability—of war in Europe has brought us face to face with the necessity of solving what is our greatest national problem, and of solving that problem with dispatch. Our greatest national problem is not that of unemployment; it is not the problem of agriculture; it is not the problem of youth or of any such questions which one might mention. It is the sum of these problems. And just as the whole is greater than any of its parts, so is our greatest problem greater than any one of the individual problems it embraces. The problem is the determination of a national policy for Canada. What sort of Canada do we want? Have we any great national determination as far as that is concerned? Do we want a united Canada or do we want a Canada at all? These questions must be answered if the Dominion of Canada is to develop as a nation among the family of nations. We have no national voice to-day. To travel from Halifax to Victoria is to find a virtual kaleidoscope of opinion.

To-night we have heard various schools of thought set out by those who have spoken. Perhaps I, too, may be permitted to suggest four schools of thought. It seems to me that opinion in Canada to-day may be divided into four groups. First, there is the opinion held by those who want a Canada, but a Canada essentially isolated from Europe, a Canada only for Canadians, a Canada quite prepared to let the empire and Europe mess about to their hearts' content. A second group consists of the adherents of that opinion which says: We do not want a Canada at all; no doubt the fathers of confederation did what they did in sincerity and as they thought was best for their country; but times have changed since 1867; Canada is virtually five separate states, the maritimes in the east, Quebec, Ontario, the three prairie provinces, and British Columbia in the far west; let us thank the fathers of confederation for what they attempted, and now let each part go its own way. The third group, and by no means a small one, consists of those who do not know what they want. Unfortunately this group may be the most vocal. This group talks about a dominion somewhat loosely tied together, which has some sort of defence but not too much, in which certain powers are taken away from the central government and given to the provincial governments. Yet at the same time they say there is too much government in Canada; they talk about no aid to the empire in case of conflict but are perfectly willing to take all and give nothing; in short they talk this way and the other, but really do not know what they want. In the fourth group are those who want a Dominion of Canada in fact as well as in name, a dominion which is an integral and important part of the British commonwealth of nations, ready and willing to join with that commonwealth to help enforce peace and to make peace heroic, a Dominion of Canada which is not only a British dominion but a nation of the world, a Dominion of Canada that will give support to the British commonwealth of nations in doing the job of work which there is for that commonwealth to do and to which the Prime Minister referred to-night so ably and so well. I am going to discuss these four groups not separately, but collectively in the light of what I have in essence already said, that is that Canada is at the cross-roads.

In the first place let us consider the isolationist. The isolationist as I understand him is he who demands that Canada have a complete national economy of her own; that the question of her participation in any war be not only hers to determine but that it be made clear to the nations of the world that Canada is free to be neutral in any war. I think there may be a confounding of terms in that connection. Neutrality is one thing, non-participation is another. Complete neutrality is one thing, passive belligerency is another. Would a declaration of Canadian neutrality in time of war be regarded by any

warring nation, an enemy of Great Britain, as binding, so long as this dominion remains part of the empire? Even if there were no active participation, would an invasion of Canada in time of war by an enemy of Great Britain be regarded as a breach of neutrality? Let those who argue for isolation for Canada, or neutrality in case of war, remember that there is no such thing as passive belligerency. There is either complete neutrality or a state of war. And thus the only way for Canada to be regarded as a neutral country in a war in which the empire is involved is to sever her ties with the empire. This means we are no longer British. It means we are no longer able to claim all that that means and has meant, not merely from a purely sentimental point of view of traditional attachment to family or race, but from the prestige and protection which have always been such a vital part of our national position. Let the isolationist be prepared to justify all that it means for a Canadian citizen to sacrifice his British citizenship, to surrender the prestige and protection that go with it, to give up any claim on the services of an extraordinarily efficient and extensive diplomatic, naval and military organization.

In the second place, let those who argue for isolation and in the same breath plead the cause of peace, the glory of the united states of the world, remember that a united British commonwealth brings together at one fell swoop one-fifth of the people of the world, brings them together in a common cause. And what a mighty force for good is here as long as that force is for right and not for might; a force that espouses the causes of peace and justice! Therefore, let the isolationist be prepared to argue that the cause of peace is aided by the disintegration of the British Empire, and that the breaking away of the dominion from the British commonwealth of nations and the breaking up of that commonwealth, constitute a step forward rather than backward in the interests of world unity.

In the third place, is the isolationist prepared not only to admit, as Dean Corbett of McGill law school put it in an excellent article which appeared recently, that "neutrality can be bought only at the price or our common nationality," but to skate over apparently without qualms, "the moral objection to retaining, in the quality of a British subject, a claim on these services while repudiating by neutrality a reasonable share in the burdens of political association?" Assume for the sake of discussion that the isolationist and his supporters say that this moral obligation business is merely, in Kipling's language, "the flaccid tissues of long dead issues, offensive to God and man," is tawdry, maudlin and mawkish sentiment and tradition; that British citizenship has become but a catch phrase and means nothing to Canada any more; that it is just Canada for Canadians we want, and nothing else. Where does that lead us? Canada as a nation divorced from the British commonwealth of nations becomes at once a puny, faraway nation with about as much chance of being heard in a world court or in the market places of the world as any one of the dozen or more tiny states of Europe. Let an isolated Canada, a Canada divorced from the empire, be prepared to withdraw from any institution which is non-British-Canadian—for indeed any participation which we have had to date in international affairs has been as a nation within the British commonwealth of nations. The trade treaties we have made over the years—we will assume they are a benefit to Canada—must be disregarded and torn up as they were made with a British Canada. In essence, therefore, the isolationist demands that we sacrifice our external trade and bring to bear our full national powers on our internal trade.

In the fourth place let me again quote Dean Corbett:

> The only hope for isolation would seem to lie in the achievement of that complete self-sufficiency which is the Arcadia of certain ardent materialists and quack economists.

What does that mean? It means that we return at once to the primitive state in which our forefathers left us; that we tear down our industrial structure; that we once more put our hands only to the plough and the distaff, crawl into a smug parochial nationalism, and say to the land-hungry nations of the world, "Please, please, leave us alone." How long would rich, fertile Canada be left alone? Oh, but the isolationist says, "There is the United States; she will protect us." Hon. members will realize that a mother protects her daughter with no expectation of reward, but cousins do not take care of cousins on the same basis. There would be no protection without a price. Are we prepared to pay that price?

Lastly, is the isolationist prepared to assure us that the application of his policy rids us once and for all of the war menace? Divorce this dominion from the balance wheel of empire; remove from our provinces or groups of provinces our point of common allegiance, the throne of England, and just how long would Canada remain a union of nine provinces? Would the maritimes be apt to rush to the aid of British Columbia in the event of some land-starved power becoming actively

greedy? Or would British Columbia be inclined to rush to the aid of the maritimes in similar circumstances? Divided states in what is now the Dominion of Canada I feel would be the inevitable result of secession.

Mr. FINN: What would Ontario do?

Mr. MASSEY: What would Ontario do but watch the crows fly by in either direction? As I was saying, Mr. Speaker, divided states within what is now the Dominion of Canada would be the inevitable result, I feel, of the application of a policy of isolation. Then, as divided states, what easy prey we would be to those nations to the right of us and to the left of us who, not unlike the guns of Balaclava, are volleying and thundering, or at least rumbling ominously for those who have ears to hear.

Let us go back to the point from which we started. Canada can have no voice in world affairs until we have determined the sort of Canada we want, or if we want a Canada at all. We have reached the cross-roads, Mr. Speaker, and now we must decide which way we want to go. I suggest that hon. members listen again to the words of Benjamin Franklin. This time he might be speaking to us, when he says, "We must all hang together or we will hang separately." Hon. members might well listen again to the voice of a great leader of another day, the late Right Hon. Sir Wilfrid Laurier, who challenged us when he said that "the twentieth century belongs to Canada." If it is a united Canada we want—and thank God I think it is—a Canada, a dominion within the British commonwealth of nations, let us tear away our thoughts and efforts from the divisions caused by crassly selfish, provincial economies and societies, and turn our common effort into one great, dominion wide, united, unselfish effort. If it is peace we want—and who does not want peace; I take second place to no hon. member in this house in a desire for peace—then let us out of this strange cacophony that now arises from within our borders tune the voice of Canada. And may we remember that it is not governments, federal, provincial or municipal, that will tune the voice of Canada to a single dulcet note. It is a public opinion, and public opinion that faces facts fearlessly rather than flirts with fiction, yes, and which faces not only facts but the ideals, the illusions and the real unrealities, that builds nations. We cannot; we must not; in the name of our fathers, the pioneers who broke the soil in this country, we dare not throw the future away for selfish, sectional parochialism. Let us give the fullest and the best of all that we hold dear to make of the phrase "Dominion of Canada" not just a picturesque imagery but a quick, real, virile, glorious reality, a Canada bound together by gold chains of national understanding, national unity, national courage, national faith and national hope. It is then, and only then, that the voice of Canada can be heard in world affairs.

Some years ago, Mr. Speaker, in the southern part of Saskatchewan, at the end of an excellent growing summer, when the wheat was high and the heads full, a three-year old child wandered from her home, and was last seen heading toward the wheat. She was not missed for some hours. Her mother realized the danger when news that the child was missing was brought to her, and at once summoned the child's father who started, with all the help available, frantically to seek his little girl. All day long he and those on the farm searched without avail. Others came and gave help, with no result. Night came. The people of the whole countryside with characteristic willingness and spontaneity joined in the search. Throughout the night they looked, using all the lanterns and other means of lighting they could find, but still without avail. The dawn of the next day found them weary and hungry, but still they carried on as the child was still missing. Nightfall came, and at last one called all the others together from every part of the farm and said, "Why do we not form a great human chain and march across these fields hand in hand? Someone is sure to find her." And they found her! It was not long before a foot touched a silent, still little body. The father was called to the spot, and as he picked up the lifeless body of his child, he looked up to heaven and cried, "Great God, why didn't we join hands before?"

Across this dominion, Mr. Speaker, from the maritimes through Quebec and Ontario, across the prairies into British Columbia, may we not have to say some day, "My God, why did we not join hands before?" The challenge to national unity is sounding now. Pray God we may answer it!

On motion of Mr. Elliott (Kindersley) the debate was adjourned.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Tuesday, January 26, 1937

The house met at three o'clock.

ELECTIONS AND FRANCHISE

APPOINTMENT OF SPECIAL COMMITTEE TO STUDY AND REPORT ON AMENDMENTS TO ELECTIONS AND FRANCHISE ACTS

Hon. ERNEST LAPOINTE (Minister of Justice) moved:

That a special committee be appointed to study the Dominion Elections Act, 1934, and amendments thereto and the Franchise Act, 1934, and amendments thereto, and to suggest to the house such amendments to the said acts as they deem advisable, and, furthermore, such committee shall study and make a report on the following subjects:

(a) The proportional representation system;

(b) The alternative vote in single-member constituencies;

(c) Compulsory registration of voters;

(d) Compulsory voting;

and that the said special committee have power to send for persons, papers and records, to examine witnesses under oath and report from time to time.

That the committee shall consist of thirty members; that standing order 65 be suspended in relation thereto; and that the following be appointed members of the said committee: Messrs. Bothwell, Cameron (Cape Breton North-Victoria), Clark (York-Sunbury), Dussault, Factor, Fair, Girouard, Glen, Heaps, Jean, MacNicol, McCuaig, McIntosh, Parent (Quebec West and South), Perley (Qu'Appelle), Power, Purdy, Rickard, Robichaud, St-Père, Sinclair, Slaght, Stevens, Stewart, Stirling, Taylor (Norfolk), Turgeon, Turner, Wermenlinger, and Wood.

And, furthermore, that the minutes of the evidence and the report of the special committee appointed in the last session of parliament to study the Dominion Elections Act, 1934, and the Franchise Act, 1934, be referred to the committee.

He said: Mr. Speaker, this is to reappoint the committee which sat during the last session and considered the various matters mentioned in the motion, and, in general, any desirable amendments to the Dominion Elections Act. The members of the committee are the same as those who served last session, and the work to be done is exactly the same. I remember that the committee tabled a preliminary report and asked that the committee should be reappointed this session to continue its work.

Right Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, it occurred to me that possibly the minister might feel it would be better to provide in the final paragraph of the motion that the evidence and report submitted last session shall constitute part of the record of the committee. It was their request not that the evidence and report should be referred to them, but that what was done last year should constitute part of the records of this house. I only suggest that.

Mr. LAPOINTE (Quebec East): I have no objection.

Mr. BENNETT: The only question is whether, if someone raises a technical point, a mere reference to the committee would make the evidence and report a part of its record. But if the minister thinks it is ample I am satisfied.

Motion agreed to.

PETITIONS OF RIGHT

On the orders of the day:

Hon. C. H. CAHAN (St. Lawrence-St. George): Mr. Speaker, at the last session of parliament, during the discussion of a bill respecting the National Harbours Board, the Minister of Justice (Mr. Lapointe) gave assurance on behalf of the government that before the next session his department would prepare a bill to enact general legislation amending the law respecting petitions of right and providing for suits in tort against the crown. I would ask the minister, has the bill been prepared and will it be introduced during the present session?

Hon. ERNEST LAPOINTE (Minister of Justice): Mr. Speaker, the preliminary work has been done, and in point of fact a draft of the bill has been prepared and is ready to be submitted to the members of the government for approval, as is usually done before a bill is brought down. As far as I am concerned my intention is that the bill will be brought down this session.

TRADE WITH GERMANY

BARTER TRANSACTIONS INVOLVING EXCHANGE OF CANADIAN WHEAT FOR GERMAN MANUFACTURED GOODS

On the orders of the day:

Mr. M. J. COLDWELL (Rosetown-Biggar): I wish to direct a question to the acting Minister of Trade and Commerce. Reports emanating from Berlin yesterday indicate that Germany is anxious to obtain Canadian wheat in exchange for manufactured goods, including machinery. Has the government devised any plan for effecting such direct exchanges with Germany or with any other country?

Hon. NORMAN McL. ROGERS (Acting Minister of Trade and Commerce): The hon. member for Rosetown was kind enough to advise me yesterday of his intention to put this question to-day. In answer to that question I have obtained the following information:

The payment agreement between Canada and Germany, signed on October 22 and effective on November 15, 1936, provides that the German government "shall make available for the purchase of Canadian goods the foreign exchange accruing from German exports to Canada."

This fund of dollar exchange derived by Germany from the sale of German goods in Canada is indefinite in amount. Whatever the amount may be, 35 per cent of the total will be devoted by Germany to the purchase of Canadian wheat. For example, if Germany receives $10,000,000 during the year following November 15 from the sale of goods to Canada, the amount of dollar exchange available for the purchase of Canadian wheat should be approximately $3,500,000.

The agreement provides in addition that:

The German government during the first six months this agreement is in force may permit compensation transactions for the exchange of articles, produced or manufactured in Canada, provided that such compensation transactions shall not conflict in any manner with the basis of allocation set forth in article VI and the schedule to this agreement.

We have no knowledge of any barter transactions under this provision involving the exchange of Canadian wheat for German machinery or other German products.

EXPLANATION—MR. HAYHURST

On the orders of the day:

Mr. WILLIAM HAYHURST (Vegreville): I should like to make a short statement regarding my participation in the debate on Thursday last. The hon. member for Jacques-Cartier (Mr. Mallette) kindly brought this matter to my attention. On page 147 of Hansard I referred to the political liberty we in Canada enjoy. In my effort to point out that we wished to preserve all that is good in our institutions and to remove all that is bad, and in referring to the benefits we had obtained from reforms in the past, I inadvertently mentioned that the great province of Quebec had not yet seen fit to give the vote to women.

Mr. POULIOT: What is good and what is bad?

Mr. HAYHURST: If my worthy questioner would study the Reform Act he would find that there are many things in it that are good. I fully recognize the part that Quebec has played in the history of this country, and I have the greatest respect for its history and its people.

Some hon. MEMBERS: Order.

[Mr. Rogers.]

Mr. HAYHURST: What I wished to say was that I may have been ungracious to the women of Quebec. I meant to imply that the finest people in this Canada of ours have not yet been given the privilege of voting.

An hon. MEMBER: They have not asked for it.

Mr. HAYHURST: But that, I suppose, is a matter for the citizens of Quebec to decide.

Mr. POULIOT: Amen.

BRITISH COLUMBIA RELIEF CAMPS

REPORTED DISCONTENT AMONG MEN ENGAGED IN FORESTRY PROJECTS

On the orders of the day:

Mr. C. G. MacNEIL (Vancouver North): I desire to direct a question to the Minister of Labour (Mr. Rogers) with reference to reports appearing in the Vancouver newspapers alleging serious discontent among men now engaged in forestry projects. Has the minister received information regarding these difficulties, and if so, have suitable steps been taken to investigate the causes?

Hon. NORMAN McL. ROGERS (Minister of Labour): The hon. member was good enough to give me notice of his intention to ask this question. The Department of Labour is aware of the matter referred to by him, but has received no official notification of any trouble that has occurred. The works plan as it affects the single unemployed in British Columbia is being administered by the provincial government, which appears to be dealing adequately with the situation as described by my hon. friend. I expect that we shall be advised of any further developments.

Mr. ANGUS MacINNIS (Vancouver East): May I ask the minister a supplementary question on the same matter? In press reports from British Columbia it is stated that the minister of labour of the province has said that he will not deal with the representatives of the men affected. As the minister was very successful in negotiating an agreement during his visit to the coast last fall, would he use his good influence to arrange a discussion between the authorities there and the organization representing the men?

Mr. ROGERS: I can only say that I shall be very glad indeed to look into the matter.

STAFF AT PORT OF CHURCHILL

On the orders of the day:

Mr. E. E. PERLEY (Qu'Appelle): The Minister of Transport (Mr. Howe) will recall

that last year I had a question on the order paper asking how many men were employed in seasonal and temporary employment at the port of Churchill. The minister was unable during the session to furnish the information. On the second last day of the session I asked him with respect to it and he promised to furnish the information during the recess. I have not yet been able to get it. Would the minister now inform me as to how many men were employed, between June 1 and December 31, 1935, on the seasonal and temporary staff at the port of Churchill; what were their names and their home addresses, and on whose recommendations they were appointed? I know the minister cannot give me this information offhand, but the question stood on the order paper most of last session and I trust he will take this as notice and let me have the information as soon as possible.

Hon. C. D. HOWE (Minister of Transport): My hon. friend will recall that he asked for the information in the form of an order for return, and I know that we furnished the information required of us. If he would put his motion on the order paper once more I assume the information could be furnished very promptly.

TEXTILE COMMISSION

On the orders of the day:

Mr. JEAN-FRANCOIS POULIOT (Témiscouata): May I ask the government, first, when the Turgeon report on the textile industry will be ready, and second, when it is, will every member receive a copy of it?

Hon. CHARLES A. DUNNING (Minister of Finance): My information is that the final hearings have not yet been conducted by Mr. Justice Turgeon. I believe they are to occur in the very near future. Until the report is received by the government nothing further can be said about the matter.

SUPPLY—CONSTITUTIONAL CONFERENCE

STATEMENT OF MR. BENNETT ON MOTION OF MINISTER OF FINANCE

Hon. CHARLES A. DUNNING (Minister of Finance) moved that the house go into committee of supply.

Right Hon. R. B. BENNETT (Leader of the Opposition): On more than one occasion both in and without this house I have pointed out that there are certain Canadian problems which in my opinion can be solved only by the united efforts of the various parliamentary and legislative bodies that are set up in our dominion. I have been much impressed of late with what I have read in the newspapers as to the present condition of unrest and—shall I say—evidences of something stronger than that in some sections of Canada, and I venture to-day to bring to the house a suggestion which I have thought over very carefully and which may or may not be of some value.

No one can fail to realize, for instance, that there is a sharp conflict at the present moment between legislatures and the parliament of Canada. We find some of our provinces suggesting the possession of a sovereignty which is entirely out of keeping with the general principles which have governed us heretofore. That in itself is not very serious. But the terms in which references have been made in some articles in the press are so nearly allied to references taken from the press of 1860 in the United States as to sovereign rights of the states that it makes one apprehensive as to where this may lead. This suggested exercise of sovereignty by the provinces goes further than I have ever seen it go before.

The second point to which attention might be directed is the ever-present conflict between legislatures and this parliament in the exercise of their constitutional jurisdiction. In other words, the interpretation of our constitution has become somewhat more difficult, and the exclusive powers exercised by legislatures of the provinces on the one hand and by this parliament on the other have come in conflict so frequently and so sharply with respect to national questions that I think it is time some remedy should be applied. One has only to look about and read the daily press to realize the character of the conflict. Vested with powers, plenary within their ambit, as the privy council has pointed out, the provinces have incurred obligations that are such as to have made some of them at least bankrupt. This parliament has no power of supervision, nor yet has it the right of effective criticism. I think that must be granted; for under the constitution, I repeat, the provinces in the exercise of their legislative powers have the same plenary right as this parliament has within the ambit of its jurisdiction.

Note the character of the conflicts. They have been going on, but we have never seriously endeavoured to deal with them during the seventy years of our confederation. For instance, we have the debt problem. We have a far more serious problem, that which arises out of the breach of contracts by provincial legislatures. I do not intend to indulge in

party discussion of these matters. I only point out that what Lord Grey, when he was governor general of this country, pointed out as to the lack in our constitution of any effective powers to prevent the legislatures from making contracts, was a matter for the most serious consideration; and he did suggest that the provinces might consent to an amendment to the British North America Act which would embody within the provisions of our constitution one similar to that which prevails in the United States of America. Hon. members who are of the legal profession will recall the judgment of Chief Justice Marshall when dealing with that question in connection with the grant of lands in the state of Georgia and what a profound effect it had upon the life of the United States.

Take another question, the administration of justice. I have had occasion to examine the problem connected with the administration of justice in others of our self-governing dominions. Here, the parliament of Canada makes the criminal law but the administration rests with the provinces, and the result of course has not always been entirely satisfactory. With respect to the question of the administration of civil justice, it will be recalled that the provinces determine the number of judges that are to be appointed and this parliament has to provide for their appointment on the one hand and their salaries on the other; and it is a matter well known of course to all that in some of our provinces the judiciary are notoriously without work. That is the result of the operation of our present constitution.

Then there is one other power that has fallen into disuse but which was looked upon at one time as a bulwark to ensure the safety of what you might call the contractual obligations and responsibilities of those who had bargained with provincial governments. I refer to the power of disallowance. Early in our history Mr. Blake set up the theory that instead of the exercise of that power it would be preferable for the courts to determine whether or not legislation fell within the jurisdiction of the legislature or of federal power, and if it were intra vires of the legislature then it should be left to its operation. That principle was not the principle under which the power of disallowance was inserted in our constitution.

There are other matters to which attention might be directed, but I do desire to point out that there has come about an ever-insistent and increasing demand upon the federal treasury to provide money for provincial legislatures by increased subsidies and grants in order that they might expend it without any limitation or control being imposed upon that expenditure by the power that granted it to them. We have set up commissions with respect to matters affecting eastern Canada, central Canada and western Canada; and it is because on Monday last I saw the suggestion that it was thought desirable to set up a commission to deal with certain fundamental problems that affect our whole constitutional position that I venture to make the observations that I now make.

What I say is predicated upon the assumption that all the provinces are desirous of maintaining the confederation. Every now and then you read an article suggesting that the provinces would like to go back to the days of the crown colony. You sometimes read, from what I consider—not speaking in any sense disrespectfully—irresponsible sources, the suggestion that a free republic should be established in some parts of Canada. I dismiss these suggestions and I conclude that all Canadian provinces are desirous of maintaining the confederation. Once we concede that premise, the only problem that has to be considered is the nature and character of the instrument under which the various provinces carry on their legislative powers and their administrative functions and this parliament carries out its obligations as a national parliament. That instrument, of course, at the present moment is a document known as the British North America Act, a statute passed at Westminster in 1867, and which has been frequently amended. Under that act there was a distribution of legislative powers between the provinces and the dominion. It has been contended—and I do not propose to enter into that discussion to-day—that this was a contract between four provinces and that there must be unanimity between them before there can be any great modification of that instrument. I am not discussing that for the moment.

It is well known that Sir John Macdonald preferred a legislative union; you will find that in one of his letters in which he sets it out at length. For purely political reasons it was impossible to give effect to that conviction and we therefore enacted a statute that does not provide for a purely federal union, as was pointed out by Lord Haldane in connection with the famous Australian case; because in Australia they have a federal union embodying the principles of the American constitution. Only a few days ago the privy council held that the marketing act of Australia was illegal and invalid; that there was no power either in the legislature

of any state or in the parliament of the Commonwealth of Australia to enact that measure; that there was a legislative area unoccupied by either the parliament at Canberra or the legislatures of the various states. The result is that an amendment to the constitution is being submitted to the people for their consideration, to authorize the jurisdiction being exercised by the federal parliament.

All this I state merely by way of introduction to the suggestion which I have to make. The British North America Act came into operation as a result of the final adoption at Quebec of certain resolutions. To the extent that there may be variation between the resolutions and the statute another question arises which it is not my purpose to discuss. But the resolutions at Quebec were arrived at after a conference, a convention, representing all shades of political thought. There met together representatives of every one of the four provinces, and they were selected not from the party in office at the moment but from the legislatures as a whole, in order that the whole question of the constitution might be raised from the level of pure partisan discussion to a broader outlook and a wider field. The result was that the Quebec resolutions could not in any sense be said to be resolutions arrived at by a party. They embodied the convictions of the responsible representatives of the four provinces.

Mr. ROGERS: May I ask the right hon. gentleman a question?

Mr. BENNETT: I would rather the hon. gentleman did not just now. When the constitution of South Africa was being made, the conference that met, presided over by the chief justice, Lord de Villiers, was a conference in which men of all parties were represented. You have there Louis Botha, General Smuts, and others who were far removed from them in their outlook on the national problems and the method of dealing with them.

Mr. POULIOT. General Hertzog.

Mr. BENNETT: Quite so. Their constitution is the result of the deliberations of these great representatives of the four provinces, the Cape, Natal, the Transvaal and the Free State, just as our constitution was assumed to be prepared on the basis of the resolutions which were arrived at after much discussion and consultation between the representatives of the provinces.

May I refer now to my own experience in connection with these matters? When the provinces are represented by their premiers and some of their ministers there is always a tendency, whether you like it or not, to consider political questions from the narrow rather than the broad angle. Every interprovincial conference which has met in this country has been a political conference; therefore to talk about amendments to this rigid written document, the British North America Act, by the action of a body of men who for the moment represent merely a majority—or sometimes not that—of the electors, is in my judgment an entirely erroneous view, and cannot possibly lead to any adequate solution of the difficulties before us. Therefore I suggest that we have a constitutional convention: a conference at which the provinces of Prince Edward Island, New Brunswick, Nova Scotia, would be represented not merely by their premiers but by all who constitute the legislatures of the provinces—not all in number, but such as may be representative of all phases of thought within those legislatures; and the same with respect to Quebec; the same with respect to Ontario and the west. There are in western Canada many schools of political thought; would it be right or fair that there should be a determination of constitutional rights and a limitation of constitutional powers of the provinces if some of those schools of thought found no representation at the conference or convention which modified our constitution?

Then I come to this parliament. In any constitutional convention or conference there should be provision for representation of the various schools of thought represented here; the Prime Minister, his government, the opposition, gentlemen who sit to my left representing other schools of thought. We should then have a constitutional convention or conference in accordance with the general principles which governed the conference that brought into being the British North America Act, the constitution of this country. In other words, we cannot hope to succeed in the modification of our constitution by appealing merely to the partisans in the provinces or in the dominion; for that is what it means if we limit the representatives to the governments of the day. If we are to succeed we must have representatives of the whole of the legislature or parliament, in order that there may be full, free and frank discussion, and that the conclusions arrived at in the form of resolutions may be such as embody the modifications that our experience teaches should be made.

I wonder if there is any hon. member of this house who has any doubt as to the desirability of amendment of the British North America Act. I know of none. I have never talked privately to a member of this house

who has not agreed that there should be some modification, some amendment. It is for that reason that I make this suggestion.

I have deliberately left out from what I have said any reference to the method to be adopted to accomplish the amendment of the of the constitution. I am not unaware of the methods followed in Australia and South Africa; they were in sharp variance with our own. That is a matter which may well be discussed, if thought desirable, at such a conference. But for the purpose that I have in mind at the moment, namely, the preservation of our institutions, I do submit that in this suggestion we have a broad basis of discussion, representation not on a narrow party basis but by all those who are leaders of—you may call them not parties, but groups, small though they may be; and that the discussion be on such a broad basis as may ensure a successful constitutional conference or convention to effect the measures of reform which in my judgment are essential to the preservation of democracy in Canada—I go just that far. For unless democracy can be as efficient as a dictatorship, it cannot survive. And it cannot be efficient in this country with these sharp conflicts between provincial jurisdiction on the one hand and federal on the other, and the many other matters to which I have referred and to which I could refer at greater length. Our desire to ensure and maintain the success of democracy on the northern part of this continent can in my judgment be made effective only by the government of the day arranging a conference which will ensure such conclusions being arrived at, after consultation and discussion, giving in here and advancing there, as will place our modern political thought, shall I say, on a constitutional basis. For certainly the tendency is everywhere to efficiency in government, and the general view is that efficiency cannot be maintained if you have in nine different areas nine different sets of laws dealing with problems that are national in their scope.

The Minister of Labour desired to ask me a question. I shall be glad now to answer if I can.

Mr. ROGERS: I did not propose to take issue with the right hon. leader of the opposition (Mr. Bennett) but simply to correct what I assume was an inadvertence on his part when he referred to the Quebec resolutions as having actually been the basis of the British North America Act. In some provinces, as he is well aware, considerable importance is attached to the fact that the Quebec resolutions were followed by the resolutions of the Westminster conference of 1866, which actually I think are set out in Pope's Confederation Documents.

Mr. BENNETT: Yes, I am thoroughly familiar with that.

Mr. ROGERS: Are they not the basis of the British North America Act?

Mr. BENNETT: Mr. Speaker, in my judgment the Minister of Labour has not accurately expressed the situation. The conference at Quebec was different from the conference at Westminster. The conference at Westminster was limited in its numbers as compared with the conference at Quebec. The conference at Westminster was a conference of give and take in the final discussions that were held between the members who went there to represent Canada and the government at Westminster, just as in "Lord de Villiers and His Times" it is pointed out that he went to England after the resolutions had been arrived at in connection with the Union of South Africa, and modifications were made. Lord Crewe made modifications and changes because he thought the draftsmanship was faulty and should be improved here and there. The resolutions were finally adopted, and the Westminster conclusions were the conclusions arrived at in the hotel as from day to day the members of the delegation from Canada discussed their problems with the British government which had to put the bill through the House of Commons and the House of Lords.

Mr. CAHAN: The difficulty was to give legal expression to the resolutions.

Mr. BENNETT: Quite so. The draftsmanship, I believe, is said to be that of the late Lord Thring, and it has always been the subject matter of discussion. Sometimes when I read the sections I marvel at the prescience and power of that great draftsman who, out of the resolutions which were before him, created the act we now know as the British North America Act. No one would say that the men who met together at Westminster were the men who were primarily responsible for the adoption of the constitution.

Mr. ROGERS: I am not suggesting that.

Mr. BENNETT: That was done at Charlottetown and Quebec, and it will be recalled that after the Quebec resolutions were drawn up those who were responsible for them visited Upper Canada, Lower Canada and the lower provinces, and made addresses in various places. Those from the maritime provinces came up here, and you will recall many of their speeches which are contained in the

records of one of the Prince Edward Island representatives, Mr. Whelan. He records their visits to Upper Canada and to Lower Canada, as it was then called, and the discussions that took place at that time.

Mr. JEAN-FRANÇOIS POULIOT (Temiscouata): Mr. Speaker, I was rejoicing in the fact that the right hon. leader of the opposition (Mr. Bennett) was back in this country, but after listening to what I have just heard I am not sure whether he has not made a broadcast from Cape Town or Canberra, whether he has not been speaking from South Africa or Australia, or perhaps from New Zealand.

Five or six years ago, sir, when I was sitting in the corner to your left and when the Liberal party was in opposition, I denounced the policy of the then government when the prime minister acted as a sort of Santa Claus, saying to the provinces and the municipalities, "Come to me and I will give you anything." What did he do? He imposed heavy charges on the provinces and municipalities. After the speeches delivered by the right hon. gentleman during the election of 1930 people were under the impression that the government of Canada was a kind of Santa Claus, that the Bennett government would give plenty of money to every citizen, and that no Canadian would have to work after the election. He promised to take care of every unemployed person, saying, "Come unto me and I will give relief to the unemployed," who were not then unemployed but who wore buttons paid for by the Conservative organization, and who made trouble at meetings addressed by the leader of the Liberal party.

That was the story at that time, sir. Then the right hon. gentleman was creating a false impression throughout the country, leading people to believe that there were many unemployed when there were none. More than that, sir, the Indians who had been on relief for years were considered as unemployed, though the government knew very well that they could do no work. They were unemployable unemployed, but their number was added in order to give a false impression to the country. Afterwards what happened? After the right hon. gentleman had said to the country that he alone could take care of the unemployed and end the unemployment problem, he said to the provinces, "You will pay so much" and to the municipalities, "You will pay so much" and to the railways, "You will pay so much." Thus he imposed on the railways, on the municipalities and on the provinces a heavy burden of responsibility which he shared to only a small extent. As a result many provinces and municipalities are bankrupt.

I am very glad, sir, to have seen the right hon. gentleman rise in his seat this afternoon and denounce a condition which he created by his own policies from 1930 to 1935. He sees the evil now which we forecast when we were on the other side of the house. We knew what would happen, and now this government has to look after the result of the wrongdoings and shortcomings of the right hon. gentleman, in order to try to make this a country in which Canadians can live happily. That is pretty hard after the five years through which we have passed, from July 1930 to October 1935.

But, sir, I fully agree with the right hon. leader of the opposition when he says there should be an adjustment of taxation. For long enough this government has been considered a kind of Santa Claus. The municipalities go to the provincial governments; then the provincial governments come here and ask the federal government to give them money that comes from federal taxation. There is a question appearing on the order paper now which I hope will be answered in Hansard, requesting information, first, as to the revenue derived from each tax during the last five years, and second, how this money has been spent, in order to show the people that the federal government is no Santa Claus, as the right hon. leader of the Conservative party preached during the election of 1930, and as he tried to make the country believe during the years he was in power.

We must come to this, Mr. Speaker: Every Canadian citizen should know what amount he pays in municipal taxation, what amount he pays in provincial taxation and what amount he pays in federal taxation, and every municipality, every province and the federal government should spend only the money received from their own taxation. I am sure this will meet with the approval of the Canadian people. Why do we tax our people in order to give the money to the provinces, who in turn give it to the municipalities?

What is the income of the municipalities? The main part of their income is what they obtain by taxing those who own immovable property. The burden of taxation falls on those people, who are left with no purchasing power after they pay that taxation. The official gazette of each province is full of lists of immovables which are to be sold for taxes. People have no means with which to pay their taxes and their properties are sold. This creates a very acute problem, and it is

time for an adjustment of taxation. My right hon. friend the hon. member for Calgary West (Mr. Bennett) sees that now. Why, when he was leader of the government, did he not appoint a committee of the house to study this question of taxation, a matter of the greatest importance to every one of us? It was not done. Before coming to any agreement with a province the first thing to do would be to examine the field of taxation, to see whether or not the taxpayer can be relieved to a certain extent. Then, the next duty would be to see that the municipalities have sufficient sources of income so that they may not have to lean too much on the provinces for subsidies, and that in turn the provinces may have great enough revenues, so that to make both ends meet within their own borders they will not have to lean on the federal exchequer for further subsidies.

This is very simple, in theory, but it may be more difficult to bring about the necessary adjustments. However, as a Canadian citizen I urge upon the house and country the necessity of a careful study of every field of taxation. Who shall be called to that conference? If we call every sitting member of every legislative assembly to meet to discuss the matter, where shall they meet? I say they will meet in the Tower of Babel. That is where they will meet; there would be no understanding.

I believe in the rule of the majority, although some different opinions have been expressed in this chamber; and I fully realize the importance of a modification of the British North America Act. My right hon. friend the hon. member for Calgary West has said that the British North America Act has often been amended since its original passage. That is not exact, and he knows it. The amendments are very few, and are contained in only a few pages of the annex to the statute. Every member knows that, and the right hon. gentleman opposite knows it better than anyone, because he is well posted in the law. He knows it. The amendments to the British North America Act have been only slight and minor.

If we are to study amendments regarding taxation I suggest such study should first be made by a committee of this house, such committee having been given authority to go to the bottom of the matter. There are intelligent members in every party in this chamber, and many hon. members are well qualified to make a thorough study of the matter from the federal point of view. Then, when such committee has reached a conclusion, that conclusion should be sent to every legislature in Canada, because the matter affects the provinces as well as the dominion. The report of the committee of this chamber should be sent to every province, and after having been discussed by each province it should be sent back to Ottawa. After the returns have been received, it would be proper to have a meeting of members of the House of Commons and the Senate, and duly accredited representatives of every province.

We must have order. As a boy at school I remember writing in our copy books "ordo ducit ad Deum"—order leads to God. There is no order now in the way subsidies are granted to the provinces. As soon as the right hon. the leader of the Tory party took office every province came here, as they would have come to Santa Claus, saying "We have a deficit; you Ottawa people must fill it. We cannot make both ends meet; you of the federal government must give us money to fill the gap." That is what happened, and the right hon. gentleman opposite knows it better than anybody else. I am sorry to see him smile; he should cry, because that is his own work. He knows, and every man of good faith in this chamber knows, that what I have said is true, and only since the right hon. gentleman was prime minister has there been such disorder in the finances of Canada.

It is time to have order, and such order can be achieved through the good will, experience, intelligence, devotion and earnestness of hon. members who are ready to make a careful study of this most important problem and draw the right conclusions.

After the remarks of the right hon. gentleman opposite I submit the government should first appoint a committee of this house to study through and through the matter of taxation, because the federal government is more interested than provincial, municipal or school authorities. We are more affected because of the grants or subsidies asked when finances are in a bad way either in the provinces or in the municipalities. Competent members of this chamber—and I am sure all are—should be chosen to form a committee to make a close study of the problem, and to report to the provinces and ask their views in the matter. Following that we might have a conference where representatives of provinces might be selected by the legislative bodies. We would have a final and practical report on the matter. Mr. Speaker, that is all I have to say for the time being.

Hon. ERNEST LAPOINTE (Minister of Justice): Mr. Speaker, of course we were

unaware that my right hon. friend (Mr. Bennett) would discuss this matter to-day. I realize it is a most important one, and my remarks must necessarily be general.

I agree with the right hon. gentleman that occasionally there are queer happenings in certain parts of the dominion, and the instance he mentioned of a province claiming sovereignty is certainly one of them. I suggest however that that must not be taken too seriously. I know of happenings in another province which some of our friends in other provinces, and even elsewhere, are perhaps taking too seriously. A few days ago I was amazed to read in a review published in London references to certain speeches which have been made recently in my own province, and making unjustified comments thereon. May I assure you, Mr. Speaker, and through you the House of Commons, that those who have indulged in such speeches do not represent the views and the mentality of the people of my province. We are attached to confederation, as are the other provinces, and certainly are opposed to having nine nations in Canada. We have one nation, the Canadian nation, of which we are proud, and we will see to it, all of us, that Canada is kept and maintained on the road to progress and prosperity.

There is no doubt that changes are required and should be made in our constitution so far as the jurisdictions of the central government and of the provinces are concerned. The fathers of confederation did a great work in 1867, but they worked in the light of conditions as they were seventy years ago. Times have changed; the problems are different; conditions to-day are not what they were seventy years ago. Changes have to be made, and the statesmen of to-day have to harmonize the constitution of Canada in its relation to the jurisdiction of the provinces so that it will conform to the conditions of to-day rather than to the conditions of 1867. But this should be done harmoniously. It is not being disloyal or unfaithful to the memory of Macdonald, Brown, Cartier and the others if we make the necessary changes that will ensure the permanency and continuance of the great work which they have done.

My right hon. friend has mentioned some of the anomalies which exist and some of the difficulties which governments have to meet almost every day in the administration of affairs both in the dominion and in the provincial jurisdiction. The great difficulty—and this has engaged the attention of the courts ever since confederation, and is still engaging it because there are references now before the privy council on certain social legislation of this parliament—the great difficulty is the harmonizing of that power in the constitution which gives to the provinces jurisdiction over property and civil rights with that other power which belongs exclusively to the federal parliament with regard to trade and commerce. Most things which concern trade and commerce apply also to property and civil rights, and it is most difficult to determine in which jurisdiction certain specific matters lie. Take the administration of justice. My right hon. friend is right in pointing to the anomalies there. The provinces enact the legislation, create tribunals, fix the number of judges who shall administer justice within their limits, and then the federal government appoints the judges, and this parliament provides for their salaries. There are other matters. Take the prison system. A prisoner is sentenced to twenty-three months in gaol; he goes to a provincial gaol. If he is sentenced to two years, he goes to a federal penitentiary. Of course all this was arbitrarily determined, and certainly some of the difficulties that have arisen are as a result of this arbitrary division of powers and jurisdiction. All these things may be revised if the constitution comes before a conference of the kind suggested by my right hon. friend.

He also mentioned the power of disallowance. This is another very difficult thing. The power of disallowance which is in the constitution has in practice become practically obsolete. The power of disallowance which existed at Westminster with regard to the legislation of this dominion exists no longer because there has been a constitutional convention which has done away with that power. There has been no such convention with regard to the power of disallowance by this dominion of provincial legislation, but in practice the provinces claim full and complete sovereignty within the limits of their legislative sphere, and it is rather difficult to exercise that power of disallowance. There are cases—I will not affirm that they exist at the present time—where it would almost seem that a province would desire that its legislation be disallowed in order to create conflict between the province and the dominion parliament and the dominion government. This renders the power of disallowance almost illusory, you may say.

With regard to financial difficulties, there are some at the present time, and they are engaging the attention of this government to a considerable extent. I can assure my right hon. friend that they have been discussed by this government almost continuously.

Mr. BENNETT: I did not suggest that they had not, you know.

Mr. LAPOINTE (Quebec East): No, I quite realize that. These financial difficulties are so urgent and so pressing that I am afraid their solution could not await any constitutional conference, because some step must be taken in order to prevent what might be rather a danger to the whole of Canada.

As far as amendments to the British North America Act are concerned, I agree with my right hon. friend, and on various occasions in this house, wherever I happened to be sitting, I have stated that amendments to the British North America Act are necessary and should be made. I also claimed, and I have not changed my view about it, that Canada, as a self-governing dominion, should have the power which other self-governing dominions have to amend its own constitution, subject to the necessary safeguards of certain rights which cannot be ignored. I have already discussed in this parliament the question of a constitutional conference. The first public man to my knowledge who advocated a constitutional conference of the kind suggested by my right hon. friend was Sir Clifford Sifton, who very often claimed that we should have a constitution for the Dominion of Canada, and that it should be the work of a conference representing the dominion and the provinces, with the delegates chosen by the dominion and by the provinces and representing, as my right hon. friend has suggested, the various parties in the dominion and in the provinces as well. No doubt much might be said in favour of such a scheme, and the idea expressed by the leader of the opposition to-day ought to be discussed and considered not only by the members of the house but by all who are interested in these questions, and another occasion should be provided for the purpose of discussing it more fully. In a general way the matter engages the attention of public men, and more particularly of members of this house; for if you consult the order paper you will observe not less than three resolutions affecting the subject we are discussing. There is resolution No. 2 of my hon. friend the member for Rosetown-Biggar (Mr. Coldwell), who suggests that a committee of the house be set up for the purpose of recommending amendments to the British North America Act. There is the resolution of the hon. member for Broadview (Mr. Church), who also asks for a committee of the house which would consider all the matters that have been referred to this afternoon. There is one by my hon. friend the member for Peace River (Mr. Pelletier) which asks the appointment of a commission to investigate problems with special regard to western Canada. Of course all this cannot be done this session, but enough has been stated to demonstrate to the house and the country that there is nothing irreverent in talking about amending the British North America Act; that although it is a fine piece of work and has served Canada well, it is not an ark of the covenant which nobody can touch without being punished as a criminal; it is a human device which may be improved, and particularly so because of the changes that have taken place in seventy years. I have no doubt that the disruptive elements to which my right hon. friend alluded will not prevail in the Dominion of Canada, but that we shall continue to be a united country which will in the future, as it has in the past, set an example to the other dominions and the rest of the world.

Hon. H. H. STEVENS (Kootenay East): While I naturally endorse and welcome the eulogy contained in the closing remarks of my hon. friend the Minister of Justice (Mr. Lapointe) as applied to the Dominion of Canada, I think it would be unfortunate if a matter of this tremendous import should be dismissed even with words so eloquent as those he has just uttered. This subject appeals to me not so much from the legal or constitutional standpoint as from that of the welfare of a vast proportion of the people of Canada. It would be folly for us to blind our eyes to the very serious problems with which this country is confronted. Perhaps I am putting it too strongly, but I will venture the thought that underlying all this trouble is the constant wrangle over the question of jurisdiction; at least that is seized upon continually as an excuse for inaction. People appeal to their provincial legislatures for redress of wrongs which they conceive it to be within the powers of the legislature to right. The leaders of the legislative assemblies reply that it is a subject which comes under the powers of the dominion. If I may be permitted a colloquialism or slang phrase, what is known as "passing the buck" is an expression very closely applicable to what has been going on in this country for many years.

I believe the suggestion made by the right hon. leader of the opposition (Mr. Bennett) is one that should engage our most earnest consideration at this time. It should not be treated as a matter which might well be considered some day in the future when we have more time. I do not know of any subject which could more worthily command the concentrated attention of this house than that

which has just been proposed by the leader of the opposition, namely that there should be held a conference of the dominion parliament and the legislative assemblies of the various provinces, adding to that, as suggested by the Minister of Justice, outside interests that have given study to the subject, and that such conference be assembled at some time in the near future for the purpose of studying amendments to the British North America Act.

Perhaps it is fortunate for Canada that we have a written constitution. I know there are those who hold the view that a written constitution is very often a nuisance. Sometimes it is. But in times of stress and passion, when conditions are disrupted and feeling runs high, it is a fine thing to have a written constitution to hold us steadily on the track. Obviously, as the Minister of Justice has very properly admitted, the conditions of to-day are not the conditions of 1867, and there has to come a time when changes should be made. The question is, are those changes to be made sanely, after proper consideration and by properly constituted authorities, or are they to burst upon us out of the passions of the people? It is the latter that I fear. I do not think we properly apprehend the seriousness with which very many people in this country view present day conditions. Nor have we, in my opinion, a full appreciation of the utter hopelessness of the great mass of people in this country. There is a feeling of futility and hopelessness permeating the hearts and souls of hundreds of thousands. Since the last assembly of parliament I have talked to men whom I have known for years, whom I have looked upon as pretty thoughtful and sane, who have discarded hope or trust in parliaments—and they are not citizens whom we can lightly disregard. I have one hope in my heart for Canada, and that is that there may be a preservation of Canadian democracy. If we look at the world to-day, what do we see? Everywhere, in Asia and in Europe, in the two old centres of civilisation, we see an alignment in two directions: on the one hand we see government by force along communistic and socialistic lines, and on the other hand we see government by force along fascist lines. And that is becoming generally accepted and, to me, to an alarming degree; it is being accepted now that the test is between these two views, and democracy as we understand it is being pushed aside as scarcely worthy of consideration. Yet in my opinion, from my studies of history—the history of a thousand years; and if one had time one might summon the witnesses here from the pages of history—there is but one system that will protect the interests of the individual and contribute most to the happiness, the comfort and security of peoples everywhere. And that is the system of democracy.

But we are bound to admit that inherent in democracy and peculiar to it are certain weaknesses owing to the fact that there are so many who have a part or say, to a certain degree, nominally at least, in what shall be the government. There is not one central dominating intellect that determines matters. Democracy is supposed to be the composite view of the masses of the people. But there is another weakness that afflicts us far more seriously than that, and it is this. We have developed certain institutions such as the party system, and we find that the party system lends itself to domination by a system of patronage or influence. This may not sound nice, but those of us who have been allied to parties over a period of years and have had experience of the influences that are brought to bear know perfectly well that one of the things which it is most difficult to resist is what I might term the effect of malign influences that are brought to bear upon parties. By that process we weaken governments and leadership in the democratic system through the party method of administration. But the fact that these weaknesses exist is no reason why we should not bend every effort to preserve to the country the great principles of democratic government.

At the risk of being charged perhaps with stepping into a realm I am not competent to discuss, I will cite the old British North America Act—and I do not join with those who treat this document lightly or with scorn. I think it is a magnificent document; and as I read it as a layman and seek to find in its majestic phraseology an expression of the views of the men and women of that day, I can see in it, even without any amendment and in the form in which it was intended to apply, the very salvation that we are looking for. Unfortunately, however, certain parts of the act have passed through the courts and certain interpretations have been given them, and these interpretations stand as the meaning of the act. I am not going to quarrel with that; it is one of the facts with which we are confronted; but I should like as a layman to direct the attention of the house to what I conceive to be some of the salient points and principles, not embalmed perhaps but included in this sacred document.

Take the very preamble. I called attention to this two years ago, but, I admit, with very little effect at the time. The very preamble declares that the four provinces of

that day had met together and decided to unite into a dominion. Under the act, as the preamble says, the provinces of Canada—that is to say, Ontario and Quebec, Nova Scotia and New Brunswick—expressed their desire to be federally united in one dominion under the crown. These words thrill my heart; they conjure up before me a gathering of men from the then provinces to which reference is made, expressing one to the other a desire to unite; and I believe that the first thing we need in Canada to-day is a reaffirmation of that doctrine, that we the people of Canada, British Columbia, Alberta, Saskatchewan and Manitoba, the maritime provinces and the old and powerful provinces of Quebec and Ontario, are ready to say once again that we pledge ourselves one to another to unite in one dominion. But the sentiment that is abroad to-day—and in a moment or two I will refer to some of the causes, which I think can be removed—is not that we should unite; it is a far different sentiment and is far more widespread than many of us perhaps conceive. Some people are looking at the situation and saying, "Would it not be better for us if we were out of confederation?" I know that a strong case can be made for that conviction. I can point to at least three sections of the dominion where a strong case can be made for it, and I think it is a tragedy that that feeling should continue and should spread without a reaffirmation of the very basis of this document.

The preamble proceeds:

> And whereas such a union would conduce to the welfare of the provinces. . . .

I pause there, and I say that a union, a real and genuine union based upon the spirit of unity, will still conduce to the welfare of the provinces. And that sentiment is one which in my opinion needs reaffirmation at this time. The preamble goes on to declare that provision shall be made for the eventual admission of other parts, which, of course, was done, and these other parts were most happily brought into the union. A little further on, in the second section of the act, it is enacted that it shall be lawful for the queen to declare by proclamation that the provinces of Canada, Nova Scotia and New Brunswick:

> . . . shall form and be one dominion under the name of Canada; and on and after that day those three provinces shall form and be one dominion under that name accordingly.

I have read this in order to emphasize the spirit that underlay the organization of this great dominion, which has been so eloquently referred to and eulogized by the Minister of Justice.

[Mr. Stevens.]

And now I turn to the famous sections 91 and 92. I ask my legal friends at once to acquit me of any charge of attempting a legal interpretation of this document, but there are certain practical matters referred to in these two sections which I believe express in very definite terms some of the chief problems with which we are confronted to-day. I am convinced that we ought to concentrate our attention upon these problems. There is a phrase in section 91 which because of party strife over comparatively trivial issues has been brought into disrepute, yet is of profound importance. I refer to the famous phrase, "peace, order, and good government." I ask hon. members for the moment to dismiss from their minds the partisan criticisms which have been bandied from one side to the other for many years, and to consider the spirit and language of the section:

> It shall be lawful for the Queen, by and with the advice and consent of the Senate and House of Commons, to make laws for the peace, order, and good government of Canada . . .

That was the main underlying thought of those who framed this act; and the perpetuation, shall I say, or sustaining of the great thought of unity which was expressed in the preamble was the reason for their coming together. Obviously if you are to have unity there must be peace, order and good government. There must be some authority to determine the conditions that control the relations of individual citizens one to the other, and that great principle is the principle underlying the authority of this parliament. But to-day no man can say that this parliament is supreme in that regard. Technically, nominally, constitutionally, or whatever term you prefer, it is. An hon. member earlier this afternoon asked a responsible minister of the crown whether he knew of certain disturbing actions by individuals in one section of this country in relation to the relief problem. While the minister replied that he had some knowledge of it, the question of peace, order and good government, which is the prerogative of this parliament, did not seem at that moment to be present in his mind. He expressed—very properly; I am not complaining; I just cite it as an illustration of the point—confidence in the provincial authorities to maintain peace and order and take care of the situation.

Then tabulated below that clause in the act are certain exceptions. But before I refer to only a few of those which I think are pertinent let me quote further the language of the section:

> . . . to make laws for the peace, order, and good government of Canada, in relation to all

matters not coming within the classes of subjects by this act assigned exclusively to the legislatures of the provinces.

Those subjects will be found set out in the next section, 92. Then we come to an enumeration of matters coming within the jurisdiction of parliament. I am going to refer to a few of them. There is the public debt—that is the dominion public debt—and property. The words "and property" are rather interesting. I am quite aware that there one immediately steps into a realm where constitutional sophists argue that you are impinging on property and civil rights.

Mr. LAPOINTE (Quebec East): That means public property.

Mr. STEVENS: Yes, possibly. Then we go on to the next:

The regulation of trade and commerce.

And there is nothing more to qualify that. Yet during the last five or six years in particular there have been a dozen occasions when the right of regulation of trade and commerce in this country has been definitely challenged, the power and right of this parliament to legislate on it denied; and in some cases that denial has been successfully upheld in the courts. I go back, Mr. Speaker, to 1867, when this act was framed. In the minds of the framers of this act, or those who laid down the resolutions upon which it was based, the regulation of trade and commerce was intended to apply to all commerce common to the dominion. Because in section 121 of the act this phraseology is used:

All articles of the growth, produce, or manufacture of any one of the provinces shall, from and after the union, be admitted free into each of the other provinces.

One of the problems of to-day is this: how the Dominion of Canada through this parliament is to control properly the movement of goods within Canada itself. I merely state the question, without arguing it.

Then we have the question of patents of invention and discovery. Nobody questions the right of this parliament to control patents, but I ask parliament: are we exercising that control to the extent that we should, or are we allowing certain great institutions in this country to secure control of patent rights and use them to interfere with the freedom of movement of trade within Canada?

I turn over the page and I find in section 92 what I conceive to be the cause of a great deal of our difficulty. I refer at once to subsection 10:

Local works and undertakings other than such as are of the following classes:—

And then it says:

Such works as, although wholly situate within the province, are before or after their execution declared by the parliament of Canada to be for the general advantage of Canada or for the advantage of two or more of the provinces.

It is as clear as day that it was intended that this parliament should exercise an overriding right to declare works to be for the general benefit of Canada if it was clear that federal control of them was necessary to the happiness and well-being of the people of Canada as a whole. Here again we have what has become, in the terms applied by the minister to one of the other powers, a power which is practically obsolete, very seldom used. It was exercised constantly by this parliament when I first came here, in connection with railways. But it became more or less limited to railways, and since then has been largely abandoned.

I come now to the most important of all, that is the power or the right to incorporate companies with provincial objects. That is one of the exclusive powers of provincial legislatures. Now, Mr. Speaker, I am not going to enter into an argument or discussion this afternoon—because I am not prepared to do so—on what was originally intended there. But I say, following the language of the Minister of Justice, that in the last seventy years vast changes have come about in our economic life, not only in Canada but throughout the world; and the power or right to incorporate a company has become a vastly different thing from what it was in 1867. May I remind the minister of this—I think I am correct in saying it—that it was not until 1854 that the incorporation of companies included the provision for limited liability. In any case that provision has in a progressive way led to a complete change in our economic structure, a change which, viewed over a period of fifty years, is nothing short of startling. We are now confronted with the question whether the country is to be dominated and ruled and controlled by a democratic institution called parliament or legislature, or whether the welfare of its people is to be dominated by great corporations which, using Kipling's phrase, are "without the law." When I say without the law I do not mean without the Companies Act or their acts of incorporation, but who seem to be beyond the ordinary laws that control the lives, the activities and the consciences of individuals. A great jurist on one occasion, when trying one of these cases, said something to the effect that a corporation had no soul and no conscience. Neither it has. That is

not a reflection; these are not words of opprobrium I am using. I am simply stating a fact, something that is inescapable.

What does perturb and alarm me, Mr. Speaker, is that by the introduction of the power of incorporation, with the right of limited liability, we have introduced into Canada, as into all other countries of a similar type, a new economic principle which has gone on step by step until to-day we find that these companies are entrenched in a most extraordinarily powerful manner, affecting, as I say, the lives of countless thousands of people. So I say that the right of incorporation which was given to the provinces, and which of course is present in the dominion, raises a question that we must face, and one of the things this country needs above everything else is uniformity in company laws. If we had a conference on nothing else it would be worth while to have a conference with the provinces. By the way, the hon. member for St. Lawrence-St. George (Mr. Cahan), when he held the portfolio of Secretary of State, I believe did undertake to bring about that happy condition, though I am afraid without any great success, not through any lack of effort on his part but because of the difficulties with which he was at once confronted. But it is of such profound importance that it ought to be taken under consideration forthwith.

Mr. DUNNING: There was another conference just the other day.

Mr. BENNETT: The hon. member may not know that all the provinces agreed to a uniform companies act. That was done when the hon. gentleman was a member of the government.

Mr. STEVENS: I am quite aware of that; I remember the conference very well, because I was there. But I do say—and I do not think it can be successfully contradicted—that the net results of that verbal agreement have amounted to next to nothing.

Mr. DUNNING: They were carried further at a conference held just the other week.

Mr. STEVENS: Quite so, but when we say they were carried further, even in the fond anticipation of those who carried them further the results have not been attained, and we have not gone very far.

Mr. DUNNING: You have to get men to agree, you know.

Mr. STEVENS: Quite so. I am rather trying to support the suggestion of the right hon. leader of the opposition that we should get together and try to agree. I think it was very well pointed out that whether conferences were held under the aegis of the preceding government or of this government, they were more or less political organizations. I am not saying that offensively; it is a statement of fact. The suggestion made to-day is that there should be a conference free from or apart from partisan prejudices. My hon. friend the Minister of Finance looks askance at that, but I think such a conference is possible. I believe the people of this country, if given an opportunity to express their view, would support such a conference, and I believe it could be brought about. But that does not alter what I am stating, that through the development of the incorporation of companies we have before us a problem of the first magnitude.

There are many other things to which I might refer, Mr. Speaker, but I shall not weary the house with them to-day. I wish first to support the suggestion that in this particular instance parliament might set aside any partisan prejudices that we may have—and I think we are all prone to have them—and take the necessary steps to bring about such a conference as has been proposed by the right hon. leader of the opposition. The time, I think, is past due when such a conference should be held. I do urge upon the attention of the house the grave problems with which this country is confronted and the necessity of some step—and this seems to me to be a wise one—which would at least lead us towards a solution of the difficulty. And before I sit down I should like to reaffirm what I said in my opening remarks. The supreme task before the Dominion of Canada is the preservation of its democratic institutions, not in name only, not simply to be eulogized but so that they may operate as the dominating principles in our political as well as our economic life.

Right Hon. W. L. MACKENZIE KING (Prime Minister): May I say, Mr. Speaker, I regret that this all important subject has been brought up in just the manner in which it has. I am sure my right hon. friend the leader of the opposition (Mr. Bennett) had the best of intentions in bringing the subject before the house in the way in which he did, but I must express some surprise that he gave me no intimation whatever that it was his intention to introduce the subject to-day, and I imagine that no one else in the house had such an intimation.

Mr. BENNETT: It is not usual when it is not proposed to move an amendment, and I did not propose to do that.

Mr. MACKENZIE KING: My right hon. friend gives as his explanation the fact that he did not propose to move an amendment, but I do not think that alters what I have said as to what is customary as between the leaders of parties when a great question is about to be discussed.

Mr. BENNETT: That was not my experience.

Mr. MACKENZIE KING: My right hon. friend says that was not his experience, but my recollection of my relations with him, when he was in the position which I now hold, is that whenever a question of importance was to be introduced or brought up by the opposition some notification was given in advance to the leader of the government.

Mr. BENNETT: I am sorry to say it did not always reach me. That was the difficulty. It got lost on the way.

Mr. MACKENZIE KING: I shall immediately drop any discussion between my right hon. friend and myself of an antagonistic nature, because my purpose in rising was rather to express, except as to the particular time chosen, appreciation of his having brought forward a most important suggestion which he hoped would be considered by all parties in the house.

May I say, Mr. Speaker, that all hon. members of the house clearly realize that there is no more important question confronting this parliament than that of the necessary amendment of the British North America Act. There might be a possible exception in the subject this house was discussing yesterday, namely, that of Canada's participation in war, but with that exception I cannot think of a question quite so important, from the considerations and consequences involved, as one concerning the amendment of the constitution of our country. On all sides there is agreement that amendments are necessary, but the question above all others which has to be considered at the very outset is the matter of procedure; how the necessary amendments can be best effected.

That question has not come up to-day for the first time, nor has the suggestion made by my right hon. friend to-day come up for the first time. The matter was very carefully considered by a select committee of this house appointed by my right hon. friend before he went out of office, and that committee made an extensive report to the house. It might be interesting to hon. members who are here to-day but who were not in the house at that time to learn with regard to the procedure that should be adopted just what were the views of the committee which investigated the matter.

May I immediately draw attention to the fact that the suggestion my right hon. friend has just made was one that was considered by the committee. It was brought before the committee by no less a distinguished person than the clerk of this house. I have in my hand the report of the special committee on the British North America Act made in 1935; the report is dated June 19, of that year—less than two years ago. At page xii of the minutes of proceedings I find this:

> Doctor Beauchesne, K.C., C.M.G., LL.D., Clerk of the House of Commons, would have a new constitution drafted by a constituent assembly composed of delegates representing the various provinces and the dominion, made up of all classes of people. The constitution so drafted would be thereafter adopted by the dominion and the provinces, approved by the king, and the present act thereupon repealed.

Mr. BENNETT: That is vastly different from my suggestion; it has not even a similarity.

Mr. MACKENZIE KING: Since my right hon. friend says it is not the same, I shall read it again. I think the first part is identical.

Mr. BENNETT: No, no.

Mr. MACKENZIE KING: These are the words:

> . . . would have a new constitution drafted by a constituent assembly composed of delegates representing the various provinces and the dominion, made up of all classes of people.

Mr. BENNETT: I was very careful to avoid constituent assemblies; I do not believe in them.

Mr. MACKENZIE KING: A representative assembly.

Mr. BENNETT: That is vitally different.

Mr. MACKENZIE KING: At any rate it was a convention for the purpose of amending the constitution.

Mr. BENNETT: Not "amending" it—preparing a new one. That was my whole trouble.

Mr. MACKENZIE KING: I thank my right hon. friend for making the correction, because that is an essential point in Doctor Beauchesne's recommendation.

Mr. BENNETT: Yes.

Mr. MACKENZIE KING: It was suggested that we have a new constitution drafted.

I must thank my right hon. friend for having drawn my attention to the fact that it was a question of the drafting of a new constitution by a constituent assembly or, as my right hon. friend suggests, by a constitutional convention. The two may be different in some particulars, but I believe the argument with respect to the merits of the suggestion would be the same.

The point I wish to bring out is that the suggestion has received the consideration of a special committee of this chamber appointed by my right hon. friend the leader of the opposition while he was in office. Having that, among other suggestions, before them, the committee reported:

> In view of the fact that the several provinces did not feel it advisable to give the committee the benefit of their views with respect to the method of procedure to be followed in amending the constitution, the committee is of the opinion that before any decision upon the subject matter of the resolution is finally made, that the opinions of the provinces should be obtained otherwise if at all possible and for that reason recommends that a dominion-provincial conference be held as early as possible in the present year to study the subject matter of the resolution.

That brings to one's attention the importance of at least one consideration of which full account would have to be taken before any such method of procedure could be successfully adopted, and that is the attitude of the provinces towards such a suggestion.

My right hon. friend has pointed out that the provinces are becoming somewhat assertive of their sovereign powers, to use the expression which has been used previously, and I imagine they would be particularly sensitive with respect to the manner in which changes in the British North America Act might be made. Indeed one has but to look at the report to see the difficulty likely to be encountered the moment one seeks to get the approval of the provinces of any method of amending the constitution. In this connection it is interesting to note the replies made by the provinces to the committee's suggestion that they might submit statements setting forth their views as to how the constitution should be amended.

Prince Edward Island sent word that the—

> . . . dominion government should formulate its plan and policy for the purposes intended and that this should be submitted to the provincial governments and afterwards discussed at a conference of representatives of the provinces and the dominion.

New Brunswick said that they would wire their views as soon as possible, but they never found it possible to wire them.

[Mr. Mackenzie King.]

Nova Scotia replied that it was a most difficult matter, and that they felt it should be approached by a conference between representatives of the provinces and the dominion.

Quebec sent word that in a matter of such importance it was suggested a conference of the dominion and the provinces should be held.

Ontario replied:

> Province of Ontario does not desire to make any representation before your committee re British North America Act amendment as no good purpose will be served by attempting to advise dominion government at this time.

Manitoba replied:

> The government of Manitoba is of the opinion that the subject matter referred to in the resolution is one of such importance that no written submission, setting out our views in reference to it, should be made without a conference with the other provinces and the dominion government. We would be willing to attend such a conference at any time, with a view to arriving at a definite method of procedure for making amendments to the British North America Act.

Saskatchewan said:

> The question of what if any provision is to be made for amendment of the Canadian constitution from time to time is a question which ultimately must be decided by conferences between the governments of the provinces and the government of Canada with the possibility of a previous preliminary interprovincial conference. In view of this fact it would appear to be unwise for the provinces to be giving their views before a committee of the House of Commons. With due deference—

States the attorney general:

> —might I be permitted to suggest that the proper procedure is for your committee to pursue its present inquiry and to make a report to the House of Commons which I presume will either be accepted or amended or merely received without binding the government to accept the proposals of the committee. . . .

Alberta said that they considered such vital questions should be approached through an exchange of views, by interprovincial conference.

Finally, British Columbia said:

> . . . amendment of the constitution is too important a matter to be dealt with in manner suggested. It is not thought that satisfactory conclusions can be reached either federally or provincially until a conference of the provinces and the dominion is held when full discussion may be had and matters properly debated. . . .

In view of these opinions from the several provinces it is not surprising that the committee should have reported—and may I say unanimously, although composed of representatives of all parties in the house—that they expressly refrained from—

> . . . recommending any form of procedure for amendment, so as to leave the proposed

conference entirely free in its study of the question, except that the committee is definitely of the opinion that minority rights agreed upon and granted under the provisions of the British North America Act should not be interfered with.

The dominion provincial conference was held, and I am afraid it did not help to disclose too obvious a method of amending the constitution. The conference was called immediately after the present administration came into office. In calling the conference we acted upon the report of the committee which had been appointed by my right hon. friend, while in office. In some matters we did succeed in securing agreement between the provinces and ourselves, but when it came to the all important question of amending the constitution, to say nothing of the creation of a new constitution, the dominion provincial conference was far from unanimous in deciding upon the best method of procedure.

The question raised by the leader of the opposition and which we are now considering is undoubtedly primarily one of procedure. There are different methods which have been considered at various times. One is the suggestion of my right hon. friend that the question should be considered by a constitutional conference composed, as he has suggested, of members of the dominion parliament and the provincial legislatures, such membership to be representative of all shades of political thought. I believe that method might be described as the ideal one. Personally, along with many others, I have long held the view that such would be the right course to pursue, and at times have so expressed myself. There has always come to the fore the question as to just how far in actual practice it might be possible to get the different provinces into the frame of mind where they would all be prepared to join the dominion in such a constitutional convention. Unless there were to come into convention in a harmonious spirit and prepared to adopt an attitude of cooperation with one another and with the federal representatives, it would be unfortunate to have such a convention called.

Mr. CAHAN: My right hon. friend suggested that that harmonious spirit would be fully engendered by the return of his party to power at the last federal election.

Mr. MACKENZIE KING: Yes, and I think my hon. friend will agree the spirit is a good deal better than it was when my right hon. friend was in office.

Mr. BENNETT: It looks like it down in Ontario.

Mr. MACKENZIE KING: I do not wish to be drawn away from the question I am discussing, of the steps which may best be taken to amend the constitution or to bring into being a new constitution. Possibly we might agree at once that in order to bring a new constitution into being something in the nature of a constituent assembly or constitutional convention alone would be the method to be adopted. As to amendments which are less comprehensive than a new constitution the question arises as to whether it would not be better to proceed in the first instance by having a representative commission consider possible amendments, with all parties in the provinces and in this parliament entitled to appear before the commission and give it the benefit of their views and opinions. That would be a commission having to do with the necessary revision of the constitution as a whole. That has been considered. I may say that since the present administration came into office its members have repeatedly discussed among themselves whether it would be advisable to propose such a step at this time. It has been felt each time that the matter has been discussed that with cases affecting jurisdiction as between the dominion and the provinces now before the judicial committee of privy council, any announcement of the intended appointment of such a commission would be premature if made before the decisions were given. It might be regarded as a prejudging of the probable decisions which would be made by the privy council.

There is a method which perhaps may commend itself even more to the judgment of hon. members than that of a commission to deal with the whole question of the relations between the dominion and the provinces, and that is special commissions to take up special phases of the question, or to consider special amendments—something less wide in its scope than a commission covering the field in general but perhaps more effective in the long run, in that attention would be concentrated more completely on questions that at the moment are the most urgent and the most pressing. In that connection there arises, for example, a consideration of financial relations as between the dominion and the provinces, the question of the relative spheres of taxation, the all-important question of social services as between the dominion and the provinces. Those interrelated questions are, I believe, as urgent as almost any that we have before us at the present time. That is where the shoe pinches as between the dominion and the provinces, and it may be that we shall find it advisable to have some

immediate action taken, in whole or in part, with respect to that more limited sphere. But there again it is important to consider how such a step is likely to be viewed by the provinces as well as by the dominion. In these matters, affecting the provinces and the dominion alike, it is all-important that there should be a complete understanding that the purpose is one which is intended to serve the mutual interests of the governments of the provinces and of the federal government, and that it has no other possible objective.

I might suggest still other methods of procedure. The one I referred to a moment ago of a select committee of this house is one that has already been adopted. It was not very successful.

Mr. BENNETT: That was only on procedure.

Mr. MACKENZIE KING: Yes, that was on procedure, but if it was impossible to agree on procedure at the outset, I fail to see where there is much likelihood of agreement upon the actual questions which might be submitted for consideration. However, I mention these things not at all to disguise the importance of the question. I agree entirely with the right hon. leader of the opposition that we must find a way, or make it, to have the question of the revision of our constitution somehow considered. The constitutional relations of the dominions and the United Kingdom presented in itself a very large problem, the question whether or not in the course of time a new status had not been reached by the dominions. That question seemed the most difficult which it was possible for the British government and the governments of the dominions to face, but they were able to discuss these matters at imperial conferences, and out of their discussions was evolved a British statute which we have been quoting recently in this house, the Statute of Westminster, which to all intents and purposes, makes clear the relative powers of the dominion parliaments and of the parliament at Westminster, and lays down the formula with which we are all familiar, of equality of status obtaining between these respective bodies. With that great objective obtained in the manner in which it was by the governments of the British commonwealth of nations, I fail to see why we may not be able in this dominion to work out a solution of our own immediate problem as between the provinces and the dominion.

All I wish to make clear this afternoon is that the task is not as easy as by some, it may be assumed to be. To effect the desired end, it may require a step here and a step there, proceeding little by little, one step at a time, rather than attempting something that may prove after all so considerable that it will fail to get the support that it should.

I wish to add just this further word in conclusion. I believe, as my right hon. friend (Mr. Bennett) does, that this question is one which should be discussed free from party considerations. I believe he, too, holds the view that I am about to express, namely, that the question is so large that its discussion should not be confined to parliament. I believe it is a question which ought to be considered by those who are interested in constitutional problems, whether they are in this House of Commons or in the Senate or outside of parliament altogether. I would hope that as a result of my right hon. friend having brought the subject to the fore as he has to-day, and it having received preliminary consideration this afternoon, we would find that those who are interested in constitutional questions in the several provinces would take up this matter in a serious way, giving it the further thought and study that they may find it possible to give, and that they would give to the country the benefit of their views by communications to or articles in the press or by addresses before legal, political science or other bodies which it might be appropriate for them to address. I am inclined to feel that if a discussion of the kind should take place, and I believe it will, it would go a long way towards formulating public opinion on this all-important question. If there is one problem above another which can only be satisfactorily settled as a result of a united public opinion it certainly is that of the alteration of our constitution or the creation of a new constitution to supplant that under which thus far this country has been governed.

Mr. ANGUS MacINNIS (Vancouver East): I and those who sit with me in this corner of the chamber feel that the leader of the opposition (Mr. Bennett) has performed a distinct service by bringing this matter to the attention of the house at this time. Whether we could have had a better discussion if the various groups had been notified, I do not know; possibly a spontaneous discussion of questions of this kind may be better than a set debate, where a great deal of material may be gathered that does not contribute greatly to the light shed upon the question. Members who have sat in this house for a number of years know that we in this corner have been

insistent in season and out of season in drawing to the attention of parliament the matter of dominion and provincial relations. It was, I believe, the hon. member for Winnipeg North Centre (Mr. Woodsworth) who moved the resolution that led up to the appointment of a committee in 1935. I believe that the discussion this afternoon has demonstrated that the people of Canada are in a better frame of mind than ever before to deal with this matter. For that reason the present government have an opportunity, such as no previous government ever had, of dealing effectively with the questions we are now discussing. They are in a much better position than the preceding government, because since 1930 tremendous changes have taken place in Canada. The preceding government and possibly the members of the present government did not realize a few years ago the import and the extent of social and economic changes which have taken place. We all realize now that we can never go back to where we were before 1930, that we are living in a new world, and that because of that fact we shall have to develop instruments of legislation and administration effectively to meet these new conditions.

What impelled me, however, to say a word now at this time was the statement made by the hon. member for Kootenay East (Mr. Stevens) with regard to the danger of communist and socialist forces displacing our democratic institutions.

Mr. STEVENS: And fascists.

Mr. MacINNIS: I am not going to speak for either communists or fascists. Their representatives here, if they have any, can speak for them.

An hon. MEMBER: Who are they?

Mr. MacINNIS: Possibly my hon. friend knows better than I. But I think I can speak for socialists, because I am a socialist, and by reason of that I am here. Not only that, but I had an opportunity last summer of visiting various countries that have governments which are socialist to a more or less degree, and I did not see in those countries any danger to democracy. As a matter of fact, the only safeguard of democracy is socialism, because you can have democracy only when it is based upon an economy of equality, and it is because economic systems are not based upon equality that communism and fascism have developed their ideas of government by force. Communism as we know it to-day had its development in Russia, and every one with a knowledge of history knows there was no other means by which the working class of Russia could express itself than illegally and in such underground ways as it did express itself. That is the price which every nation must pay for repression and ignorance. I suggest to hon. members that if they want to maintain democracy they can maintain it only by allowing the people an opportunity to express ideas and by making available to them those educational institutions whereby they can secure an understanding of the fundamentals of human society and human relationships.

I visited Norway. There they have had a labour socialist government for the last year or so, working not wholly by itself but in conjunction with the farmer party. I saw there no danger to democratic institutions. I visited Denmark, where the social democratic party has been the government of the country with a clear majority in the lower house for a number of years, and this year got a majority of one in the upper house. I saw there no danger to democratic institutions. I visited Sweden, where they have had a social democratic government working in cooperation with the farmer group for the past three years, and I saw no danger there to democratic institutions. If ever I saw free peoples and democracy in operation it was in those countries. We have much to learn from them.

There came to my attention yesterday a short item in a British weekly, the New Statesman and Nation, referring to the socialist government in Sweden. It says:

> The socialist government in Sweden gets much less attention in this country than its achievements deserve. In the king's speech, delivered this week in the Riksdag, it was able to announce a new program which bears eloquent testimony to the success of its measures for coping with the economic crisis. Unemployment in Sweden has been so far reduced as now to present no more than a problem of seasonal variation in the demand for labour. Estimated revenue is up by more than ten per cent without any increase in taxation. The period of borrowing for public works is definitely over, and the government has been for some time past repaying debts incurred during the crisis. With the best economic advice at its command—for Sweden is emphatically a country where economists of advanced views have played an important part in the shaping of policy—the special crisis taxes are being maintained, and the proceeds applied to the repayment of debt. At the same time, the government is actively pursuing its program of social legislation. Its new measures include legislation dealing with child welfare and mother's pensions, as well as special grants for rural housing and an improved standard of salaries for elementary school teachers and other low paid government employees.

That is a government under a social democratic party.

Mr. BENNETT: It is a unitary government.

Mr. MacINNIS: It is a government in cooperation with the farmer group.

Mr. BENNETT: I say it is unitary. There are no provinces.

Mr. MacINNIS: I admit that, and because of that it is easier to operate than the government in this country.

Mr. MASSEY: Would the hon. member consider the definition of a socialist in Sweden the same as the definition of a socialist in Canada?

Mr. MacINNIS: Decidedly. I found no difference between my point of view and that of the socialists I met in Norway, or Denmark, or Sweden, or the British Isles, or France, or any of the other countries that I visited. There is no difference. A socialist is a person who believes in the social ownership of those things necessary for the production and distribution of the means by which we live, and their democratic operation. Briefly that is a definition of socialism.

Mr. MASSEY: Would the hon. member permit me to ask him another question? Did he find that the trend of the social democratic party in Sweden was toward social ownership?

Mr. MacINNIS: I asked that question of a man who held a very prominent position in the socialist movement, and I have no hesitation in stating in this house his reply to me. I was very anxious to learn what their program of socialization for the next few years was, and he made this statement: At the present time we are not greatly concerned with the socialization of industry; as long as industry operates without undue exploitation of either workers or consumers we are not particularly concerned about who owns industry. But note this: He stated further: Our trade unions are so strongly organized that they can prevent undue exploitation on the workers' side and our cooperative movement is so strong that it can take care of the consumers in the matter of exploitation; if at any time, however, we come to the point where the labour movement and the cooperative movement are not able to perform these functions we shall then deal with the question of the socialization of industry.

Mr. MASSEY: That is not what the hon. member said the first time.

[Mr. MacInnis.]

Mr. MacINNIS: That is what I said. It is merely a matter of proceeding in a particular way. Possibly my hon. friend thinks that certain ideas in which you may believe you can put into effect regardless of the circumstances and the environment in which you find yourself. No intelligent person, however, proceeds upon that assumption because that cannot possibly be done if you are to work and live within the framework of democracy.

Mr. GRANT: Does the hon. gentleman subscribe to the doctrine of socialism in Sweden, as his own doctrine of socialism?

Mr. MacINNIS: I have answered that question. I do not hesitate to say that I certainly subscribe to it if I have never subscribed to anything else.

Another point was raised by the hon. member for Kootenay East with which I agree. He emphasized—and it is well that it should be emphasized—the condition in which hundreds of thousands of people, as he said, in the various provinces find themselves at the present time. On going among these people this is what I find. They say: That cannot be done or this cannot be done under any provincial government because we have not the power. The people have lost hope entirely in parliament doing anything for them, and that hope can be restored only by parliament proving to them that something can and will be done.

I am in favour of maintaining the basis of confederation. I cannot see that a province can improve its position in any way by leaving confederation, because for every restriction or evil it might get away from it would meet half a dozen others. For that reason I believe it is folly for any province, whether it be in the east or in the west, to talk of secession.

I do not wish to take up any more time, because the present discussion anticipates one that will take place within a few days in connection with a resolution which is on the order paper. I shall content myself with these remarks, simply pointing out to the Prime Minister (Mr. Mackenzie King) that he and his government have an opportunity to do things that never before could have been done in Canada.

Mr. W. A. WALSH (Mount Royal): In rising to speak to the suggestion that has been made by the leader of the opposition (Mr. Bennett), I do so merely to emphasize from my point of view the importance of it. As I listened to the Prime Minister

(Mr. Mackenzie King), one phrase in his remarks caught my attention; he said that he would find a way or make one. It gives me great encouragement to hear words of that sort, coming as they do from the Prime Minister, and I hope that statement presages a new policy under his leadership.

We have heard this afternoon a great deal in connection with the method of procedure. To me, as a layman, this matters very little so long as we accomplish the object we have in view. To-day we are not confronted with a problem any greater or more difficult to solve than that which faced the fathers of confederation during the years from 1860 to 1867. They found a way or they made one, and we in our day and generation can do something similar and bestow a like blessing on the generations that are to follow us in this dominion.

I do not wish to obtrude anything of a political nature into a debate of this kind, but I should like to make one reference to a suggestion which was made so frequently during the course of the election of October, 1935. I think it should be repeated in this house and in connection with the subject matter which is now before us for discussion. The Prime Minister and those associated with him will remember that they emphasized, not at one meeting, but continuously at all the meetings, the fact that most, if not all, of the provincial governments were of the Liberal persuasion and that it would be well for the electors of Canada to return a government of a similar complexion to hold the reins of office at Ottawa. That was emphasized, and, if we may judge by the results, to good effect. The Prime Minister always followed that statement with this suggestion, that the Conservative party could not possibly cooperate with those occupying the seats of government in the various provinces, their political complexion being what it was, whereas his party would be in a position to cooperate; that his first effort on becoming Prime Minister of Canada would be to call immediately a conference of those provinces, the governments of which were for the most part of the same political persuasion as his own party, and that out of that conference there would come a remedy for the evils and the distress brought about—so the present Prime Minister said on that occasion—by the government which had been in office during the five previous years.

Mr. MACKENZIE KING: He hoped it would come.

Mr. WALSH: He hoped he would find a way out? Well, I would remind him that his government have been in power now for a year and a half. They have had the opportunity of many conferences with provincial representatives; yet we do not see emerging any solution of the problems with which we were confronted in 1935 and as we are confronted with in 1937. I also suggest that conditions existing in this country are not going to right themselves with a laissez faire attitude on our part. It is useless for the present government to sit back and hope that good times are going to provide a remedy for conditions which now prevail. Less than two weeks ago it was my privilege to listen to the chairman of the National Employment Commission, and on that occasion he gave utterance to a statement which has been made many times from this side of the house, that conditions which at present prevail in connection with unemployment will not be cured by good times, no matter how good they may be, in the immediate future. He felt that unemployment was a condition which would remain with us after we passed through the period of good times that now seems to be coming. We must find a solution for that problem. I have no doubt that most hon. members have had many communications from those who are in distress. I receive them especially from the younger element in this country, and in particular from my own province. If we can sit idly by and allow a pointed suggestion of this kind to be passed over lightly, in view of the conditions under which these young people are living it is time we had some radical change in our method of government and of procedure.

I emphasize this point in view of the discussion on the possibility of amendment of the British North America Act in order to make it more effective. That act was passed as a result of many conferences. It did not have its roots altogether in those conferences which immediately preceded the passing of the act. It had its roots away back in Canadian history, as far back as 1763. It had its roots in the Quebec Act of 1774, in the Constitutional Act of 1791, in the Act of Union of 1841. In all those acts, and in the British North America Act, certain guarantees were given to minorities in certain provinces of the dominion. I always voice the warning that if we contemplate any change in the British North America Act the proposal must be accompanied by the assertion that in no way will the fundamental principles underlying that act be changed.

We have in Canada nine provincial governments and a federal government. Last evening it was my privilege to speak before a gathering

of retail business men, men doing business in a small way in this country, men who have known days of adversity in the past and are just emerging from such phase now and looking forward hopefully to the future. Those men are considering the problems of the day, and one of the problems which I discussed with them was that of taxation. We reached the conclusion that there was not so much to be said against taxation as such but there was something very definite to be said about the overlapping which prevails in the field of taxation. We also spoke of overlapping in other fields, in jurisdiction and in the work of various departments of government. I want to emphasize what came out of that meeting. We are overtaxed in this country, but I believe that overtaxation can be remedied by the suggestion that we have before us to-day. The problem is not so much the burden of taxation as such; it is the burden of overlapping taxation. This is due to lack of understanding of the proper division of jurisdiction in connection with governmental work. Let me take one example: We have a federal sales tax. In the city of Montreal we have a municipal sales tax. Should there be a provincial sales tax, a municipal sales tax, as well as the federal tax, or should not some adjustment be made between the federal and municipal and provincial governments in order that the federal government shall have jurisdiction in connection with sales tax and the provincial and municipal governments shall have control over other forms of taxation? Is it not time that a genuine conference was called, in a real effort to alleviate distress in this country? And one way of alleviating that distress is by removing part of the burden of taxation. I cannot understand why men of good common sense can not agree on certain principles, particularly in the field of taxation. We know the provinces have to have revenue; we know the municipalities have to have revenue, and of course the federal government has to have revenue. Revenue can be derived from certain fields. Could those fields not be satisfactorily apportioned between the province and the dominion so that their jurisdictions will be clearly defined, and overlapping entirely done away with? If that were done the people would have a much smaller burden to bear. That is one point I desire to emphasize particularly.

In closing, let me say I was happy to listen to the remarks of the hon. member for Kootenay East (Mr. Stevens), and I was extremely happy when I heard the Prime Minister make such a bold statement, that he was going to find a way or make one. May there be more of such assertions and more power to carry them into effect.

Hon. CHARLES A. DUNNING (Minister of Finance): I desire to detain the house only a very few minutes. I have perhaps attended as many conferences between the dominion and the provinces as any other hon. member. I believe I have attended, on one side or the other, all that have taken place since about 1916, except those which occurred during the last five years, and I appreciate very much the tone of the discussion to-day, because it seems to me that it goes back in spirit to that which alone made confederation possible in the first place, such a concentrated desire on the part of the Canadian people to achieve unity that they were willing to drop political differences much more acute and much more violent in their manifestation than any which prevail to-day. We speak of procedure, but we must not ignore the importance of evoking again that spirit. I believe the question of procedure would be materially reduced in its importance if only the Canadian people could become as seized of the vital importance of adjusting these difficulties in our national life and our national constitution as were their forebears during the two or three decades which preceded 1867. I know it is difficult to expect the same degree of public interest which prevailed then. In spite of the lack of easy communication; in spite of the comparative lack of freely circulating mediums in any way comparable with those which are in existence to-day, I believe that public interest occupied a larger place in the life of the individual Canadian during the two decades prior to confederation than it does to-day. In those days public affairs were a more general topic of discussion in the home. These matters we have been discussing this afternoon were generally understood by a much larger proportion of the population than is the case with the much better educated population we have to-day. There were not the diversions; there were no movies; there was no radio; there were very few theatres. Men and women tended more to have their minds occupied with really vital matters than is the case to-day. An hon. member opposite shakes his head. I agree with him that very probably there is a larger aggregate number of students of these questions to-day. I am speaking more particularly of the degree of interest on the part of the whole population.

However, Mr. Speaker, what I rose to say was this, that to the extent that the addresses to which we have listened this afternoon can contribute toward a non-partisan discussion of this matter, to that extent they will tend to increase the possibility of success in any conference which may take place, call it what you will. What happens at every dominion-provincial conference? As I say, I have been at many of them. Every government, be it Liberal, or Tory, or United Farmers of Alberta, or anything else, provincial or dominion, which attends such a conference, is conscious all the time it is there that it has an opposition back home.

Mr. BENNETT: Hear, hear.

Mr. DUNNING: That must be so; it cannot be avoided. Also, if it is a provincial government, it knows perfectly well that if, as a provincial government, it makes at that conference any concession whatever or does anything which can be interpreted as a concession, the opposition party back home, no matter whether it be Liberal, or Tory, or Labour, or United Farmers of Alberta, or Cooperative Commonwealth Federation, will immediately raise the cry of provincial rights as against that particular provincial government.

These are the cold, hard facts with respect to every dominion-provincial conference which takes place, and I submit that these cold, hard facts are likely to continue to exist unless we can find an approach to the problem comparable with the approach which was created prior to and including the year 1867. Methods have been suggested to-day whereby that approach might be developed along lines which would prevent such considerations as oppositions back home being vital in their ability to prevent success being attained. I have no particular views as to whether such a gathering should be a constituent assembly or a constitutional conference. I should be very content to allow those who know the meaning of terms better than I do to determine the kind of gathering it should be. What I rose to speak of was the spirit which must animate this nation before any such gathering can possibly attain the objective we all have in mind.

During the past year, as the Prime Minister (Mr. Mackenzie King) has indicated, we had a dominion-provincial conference along the lines suggested by the House of Commons committee of 1935. I believe every man attending that conference really laboured conscientiously to the end that something of value to Canada might result. All were subject to the limitations to which I have been referring. Some good did result, but the great core of the problem was not grappled with effectively. It was talked about, as we have talked about it for the last twenty or twenty-five years to my knowledge. It was not really grappled with.

Mr. BENNETT: One of the difficulties, as the minister realizes, was that if the conference of last year were to succeed those attending it would have to take views exactly opposite to those they had taken for the previous five years.

Mr. DUNNING: I do not quite understand that, because the conference was composed of representatives of all governments, and I do not carry in my mind the degree to which changes in the political complexions of the provinces may have taken place within the last five years. But, however that may be, from the point of view from which I am attempting to deal with the question it would not make a bit of difference if the governments represented there were Liberal, or Conservative, or Cooperative Commonwealth Federation, or Social Credit or anything else. In the very nature of things they would have to take into account the people back home, and more particularly the opposition back home. I know that no man in practical politics would dispute that suggestion.

Out of the meeting held last year arose the suggestion that for the first time in Canada's history we might at least attempt to set up a cooperative body which, without having any powers whatever, would study means of cooperating with respect to financial and taxation problems as between the dominion and the provinces. I am quite sure that the student of history will regard it as strange that in all the time since confederation, with the divided responsibilities, the divided powers and the divided fields of taxation which exist in Canada, until now no effort has been made to form a cooperative body which would continuously study these matters and continuously endeavour to find a basis of cooperation among the different provinces themselves and between the provinces and the Dominion of Canada. An effort was made, as I say, to set up such a body.

Mr. BENNETT: It is the negation of responsible government.

Mr. DUNNING: Surely there could be a discussion and an examination by such a body of men without in any way creating, as my right hon. friend suggests, a negation

of responsible government. Surely it is possible for a body of ministers representing different sovereignties to gather together from year to year in order to see how they can effectively cooperate in a common sense way in connection with common problems; yet that has not been systematically done in the whole history of our confederation.

This is a day for frankness, and I shall be frank. Sometimes I wonder if I have not made more trouble for myself and for the government of Canada than the idea is worth in having sponsored the national finance council or committee idea. When the committee met it was quite obvious that a number of members regarded it as another dominion-provincial conference—which it was not at all—at which they were privileged to stand up, one after another, and simply ask the dominion for something. There was only one approach to problem after problem: "Will the dominion give the provinces this, that or the other in a financial way?" or, "Will the dominion yield up to the provinces this, that or the other source of revenue which it now enjoys?" I do not wish it to be understood that I am blaming the provinces. Goodness knows they are finding it difficult enough to carry on their work. I mention these facts merely to illustrate the difficulties of the problem we are discussing. Without breaking the agreed-upon confidence concerning details of discussion, I might state that as chairman I said on the last day to the assembly, "Well, gentlemen, we have accomplished something—not, I am sure, as much as any of us desired—in the interests of the people we represent. I am wondering, after listening to the discussions and to the development of this and that impossibility, if it is worth while to have a national finance committee for the voluntary discussion of these matters." Man after man got up and said, "No question about it; we must continue; we must continue to try." That gave me some encouragement, especially after three or four days of disagreement not merely between the provinces and the dominion, but disagreements emphasizing the widest possible diversity of views in many matters between province and province.

Mr. BENNETT: Hear, hear.

Mr. DUNNING: To me it was an encouragement. After that experience, difficult as it was, every provincial representative said, "By all means, we must continue to try." That, I believe, is the approach which we must all have to this problem. I do hope we are successful in recreating the spirit out of which this nation was born—a greater interest on the part of the mass of the people, not in their own particular grievances as such, but in the supreme desirability of once more accomplishing unity in confederation, and through that unity attaining the power to deal with grievances which are all too real.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. R. A. PELLETIER (Peace River): Mr. Speaker, the leader of the opposition (Mr. Bennett) has brought to the attention of parliament and of Canada what I believe is at this time a very serious problem in this country, but as was pointed out by the hon. Minister of Justice (Mr. Lapointe) this afternoon, there are on the order paper various resolutions under which this subject may be discussed at considerable length and perhaps with better preparation by all concerned. However, now that we are on the subject, it might be well to inquire why an attempt was made to bring it to the attention of the house to-day.

So far as the feeling of the people of Canada is concerned, I have no doubt that they desire—and they have so expressed themselves at various times—to bring about certain amendments to the British North America Act, but the leader of the opposition has, I believe, misconstrued their reasons for wanting this done. As was pointed out this afternoon by the Minister of Justice, provincial jurisdiction has never been questioned by the people of the various provinces; nearly always the question has been one of obtaining greater powers for the provincial governments.

Just a few days ago we heard in this house a good deal about the British Empire and its component parts, and also a great deal about the autonomy of its various units, each independent, but all allied under the one crown. It was pointed out with pride that these governments exercised great powers; that they were jealous of those powers, but that nevertheless harmony existed between them. A similar contention might be advanced so far as Canada and its provinces are concerned, for, after all, any changes sought in the British North America Act are the result of the agitation of the people in the various provinces. When we hear of such a proposal as that made to-day, and especially when the reason given in support of it is that it is for the preservation of certain institutions in view of the things that are happening in

various provinces to-day, one wonders what institutions are demanding that such a conference should be held in this country at this time. That is a salient point, it appears to me, and I shall leave it at that because it is my intention to go into the matter more deeply when various other resolutions on the order paper come before the house.

In conclusion, Mr. Speaker, little or no headway will be made by any agreement between the provinces and the dominion until some definite attitude is taken on the principle whether more power should be granted to the provinces or whether their powers should be curtailed. Until we have adopted some principle on the question of either granting more power or curtailing the present powers of the provinces, it seems to me that it would be impossible, as was pointed out this afternoon by the Prime Minister (Mr. Mackenzie King), for any such conference to come to an agreement. Before sitting down I would again ask why, in view of the resolutions on the order paper touching on this very subject, this matter should have been brought up in the house to-day.

Hon. J. EARL LAWSON (York South): Mr. Speaker, the gravity of the subject matter under discussion impels me to express my views in respect thereto. It is regrettable that on a subject matter such as this we should have had a political partisan address such as was made by the hon. member for Témiscouata (Mr. Pouliot). The hon. leader of the opposition (Mr. Bennett), in speaking to the question, pointed out that if we were to maintain this democracy, it must demonstrate its efficiency as compared with an autocracy or a dictatorship. I must confess, after listening to the speech made by the hon. member for Témiscouata, that I was somewhat doubtful of the efficiency of that part of a democracy which selected him to represent them in the House of Commons, but my faith was restored when I listened to the hon. Minister of Justice (Mr. Lapointe) and the hon. Minister of Finance (Mr. Dunning).

The Minister of Justice did not tell us specifically what his views were with respect to the proposal of the hon. leader of the opposition, and if he was speaking on behalf of the government he gave us no specific statement as to their attitude or policy with respect to the matter. But as I listened to his delicacy of word and his eloquence of diction in a language which was not his mother tongue, my faith in the efficiency of democracy was greatly restored.

The Minister of Finance made the statement that this discussion would, if nothing else, engender among the people of this country a unanimity of opinion which was essential to the enactment of amendments to the British North America Act. I wonder if the Minister of Finance has failed to appreciate that there is in Canada a tremendous consensus of opinion with respect to this subject matter. In the riding I represent I polled in the last election, something over 11,000 votes; the Cooperative Commonwealth Federation candidate polled something over 8,000; the Liberal candidate, something over 7,000, and the Reconstruction candidate, something over 4,000. But I venture to suggest, Mr. Speaker, that if you took a poll of all these voters who voted in the last election, irrespective of what party they may have supported, 90 per cent of them would support the amending of the British North America Act.

The hon. member for Kootenay East (Mr. Stevens) said that there was a growing feeling of futility and hopelessness among the Canadian people with respect to their parliaments. I must confess that as a member of one of their parliaments I have had a growing feeling of futility and hopelessness with respect to securing those amendments to the British North America Act which are essential if we are going to carry out in this country those social measures, sometimes called by my friends to my left, measures of social justice, which are essential to maintain this democracy. Surely dominion and provincial conferences have proven conclusively, for the reasons so well stated by the Minister of Finance, if for no other, that you cannot through that channel get that unanimity of opinion which may be required. Even in respect of the matter of uniformity of laws in the provinces how many conferences have been held, how little headway has been made! It is all very well to say that they agreed upon a uniform companies act, may I ask which of the provinces have put into effect an act that is in terms of the act of the Dominion of Canada? If we have such difficulty in obtaining uniform laws in respect of one or two branches of our civil law in the provinces, how little chance we have of getting that unanimity of opinion and view which is required if we are going to obtain amendments to the British North America Act through the channel of provincial and dominion conferences.

I should have been very happy had the Prime Minister (Mr. Mackenzie King) either intimated an acceptance of the scheme proposed by my honoured leader or suggested

some specific steps which the government contemplated taking toward obtaining the very necessary amendments. It is all very well to say that a committee of this house made a report in 1935, but may I ask what action has been taken in respect of that report? None. I beg pardon; I should not have said "none." Let me put it in this way—no effective action has been taken. The Prime Minister intimated this afternoon that a dominion-provincial conference was called.

Mr. DUNNING: That was the sole recommendation.

Mr. LAWSON: I quite agree, and the Prime Minister quite frankly stated to the house that he could not say that as a result of that conference any real advancement toward the ultimate goal had been obtained. Now, sir, the Prime Minister emphasized by the statement and the reiteration of it that all parties in this house, and, I infer, all parties in the legislatures of the different provinces, were favourable to an amendment, but that it was the manner of procedure which created the difficulty and the obstacle. Then, if I understood the Prime Minister correctly, he finished by saying that the government had contemplated the appointment of a commission or committee to study the whole problem, but felt that to do so while the cases with respect to the jurisdiction of the dominion or the provinces were before the privy council would be taking precipitate action. May I point out that there is no problem before the judicial committee of the privy council with respect to the method of procedure of amending the British North America Act. What is before the judicial committee of the privy council is the question whether this parliament had power to enact certain measures commonly called social or paternal legislation, such as unemployment insurance, maximum hours of labour, minimum rates of wages, and so forth. Surely, if our problem to-day of securing the amendment of the British North America Act is one of procedure only, the pending cases before the judicial committee of the privy council can in no measure constitute an obstacle in our path. No one realizes better than I the difficulties in the road of amending our constitution. No one will lend more sympathetic support than I to any really effective measure which may be taken by the government to bring about the very much desired end. But at the moment we have before this house a specific proposal from the hon. leader of the opposition, a specific proposal which, in my opinion, is worthy not merely of consideration but of support. Surely, I suggest, with that specific proposal before this parliament, it is incumbent upon the present government, if they desire to obtain the amendments necessary to vest in this parliament nation-wide powers to deal with these social measures of legislation, to accept that specific proposal or, in the alternative, to propose some other specific measures which should be taken.

In conclusion—

Mr. POULIOT: Hear, hear.

Mr. LAWSON: With that applause from the hon. member for Témiscouata I might be tempted to continue. I wish to impress particularly upon the Minister of Finance, in view of the expressions which he gave so eloquently to this house immediately preceding the six o'clock recess, that there is in Canada a tremendous body of public opinion in favour of amending the British North America Act, especially for the purpose of enabling the enactment of national measures dealing with social legislation and national schemes for the reduction of taxation and the eradication of the duplication of governmental services between the provinces and the dominion. If there is that preponderance of opinion which I believe there is, then I ask, How can you bring about the expression of that opinion when the Prime Minister says the matter is merely one of procedure? I can hardly agree with that statement in its entirety. In my opinion what it lacks is this: The public who have a crystallized opinion in favour of this amendment do not know where to express their opinion by pressure. When they go to a member of the legislature he says: Oh, it is something that has to be done by the dominion parliament. When they go to their member who represents them in the House of Commons, he says: Oh, it is something we cannot do without the consent of the provinces. I suggest, sir, that a constitutional conference such as that proposed by my leader would give an opportunity for that crystallized public opinion which exists in this country to make itself felt upon the representatives to that conference, be they representatives of legislatures or of this parliament, in so unmistakable a way that there would soon be brought about the desired amendment to the British North America Act.

Motion agreed to and the house went into committee of supply, Mr. Sanderson in the chair.

DEPARTMENT OF PUBLIC WORKS

Hon. P. J. A. CARDIN (Minister of Public Works): Before the different items included in these estimates are called, I desire to state, just in a word, that these estimates are what may be described as necessary for carrying on the business of the different departments. They provide for the maintenance upkeep, repairs, heating and lighting of all the public buildings which the dominion government controls. No question of policy is involved in any of these items; they are those which are necessary for properly carrying on the business of the federal government. They are items that have come before the house regularly for a number of years and with very few exceptions they are all the same. The items that are not for maintenance of service or for taking care of public buildings are for necessary works or for the completion of contracts or works already started. The first vote is for a public building at Berwick, Nova Scotia. It is a revote.

Mr. STEWART: I wish to thank the minister for his opening explanation, which may facilitate the passage of some of these items. However, I would ask him for a further statement as to the policy of the government as suggested by these estimates. The estimates of last year included a number of items for which provision had been made in the Public Works Construction Acts of 1934 and 1935, items which had been in detail passed upon and approved by this parliament, and for which the necessary moneys had been appropriated following those acts. For a reason which was explained at the time these items which had already been provided for were gathered up and included in the estimates of last year.

What I wish to point out to the minister is this: In the summary of appropriations for public works we find that in 1936 and 1937 the amount appropriated in the manner I have mentioned is $15,570,000 odd, and included in that there was a small sum of $544,000 authorized by statute. For the coming year, 1937-38, the total amount included in these estimates to be voted is $11,277,000 odd, showing a decrease of $3,754,000. I recall very well that in opposition the members of the present government strongly urged that the government should embark upon an extensive program of public works for the relief of unemployment, and I am anxious to know whether the fact that the estimates of this year amount to the figure I have mentioned, or about $3,750,000 less than the estimates of last year, indicates a reversal of policy in that direction. Have the government decided that it is advisable to reduce by this amount the appropriations for public works? Have they abandoned the contention that increased expenditures in this direction will stimulate employment, will help the construction industry and will be of general advantage? These are questions to which I think the committee would like to have some answers from the minister. Following that, possibly I may have one or two other questions to ask. In this connection, however, I would note that the estimates, as far as I have been able to observe, do not contain any items of expenditure under the head of capital; and generally we have had some items of capital expenditure in connection with public works. Does that mean that the government have abandoned any program similar to that carried on by former governments in this respect? Do they contemplate the construction in Ottawa of any public buildings which under ordinary circumstances would be charged to capital account? These are items which occur to me at the moment.

Mr. CARDIN: There is no change in policy on the part of the party now in power. We have always been of opinion that it was much better to spend money on public works or public undertakings than to give it away in the form of relief, and we are in favour of that policy to-day just as we were when in opposition. The reason why numerous items for new constructions are not included in these estimates is that the government felt that in the main estimates we should disclose to the committee what is absolutely necessary for taking care of public buildings, looking after repairs, maintenance, lighting, heating and so on, and that we should not burden the main estimates with a new list of projects and undertakings, which though they might be necessary from a certain point of view, are not essential to the proper administration of public affairs. It was with that idea in mind that we began last year by reducing to a large extent the amounts included in the main estimates apart from the necessary money to complete works already undertaken. This year we are again reducing to the very minimum the items that might be proposed to the committee for new undertakings. That is why the main estimates have been reduced to the extent indicated by my hon. friend. I am sure that he has in mind—it will probably be the next question he will ask—the question whether there are going to be any supplementary estimates. I hope there will; I hope to be in a position to convince the Minister of Finance that we should have supplementary estimates.

As regards buildings in Ottawa, generally enumerated under the head of capital expenditures, consideration was given last year to the proposal to build a supreme court house. Plans were prepared and a study was made of the site upon which such a building might be erected. I regret, however, to say that after the preliminary designs and the plans prepared in the department were gone over we were afraid that the site we had in mind would be too small to permit the erection of the heavy buildings contemplated last year and designed by the architects of the department. But the government still have in mind and are determined to build in Ottawa certainly one additional building, for housing the Supreme Court of Canada at least, and possibly the exchequer court. This question will be considered by the government when an opportunity is presented to discuss the possibility of supplementary estimates with the Minister of Finance.

Mr. STEWART: I thank the minister for his comprehensive explanation. I rather expected him to express the hope that there would be supplementary estimates. In my fairly long experience in this house I have never known a Minister of Public Works who did not have that hope. Possibly the hopes of some hon. members on his side of the chamber will be encouraged. I am sure, however, that their hopes will not all be fulfilled, unless conditions greatly differ from those the minister has outlined.

As to the capital expenditure at Ottawa, I rather expected that the item would appear in these estimates, notwithstanding that there may be a difference of opinion as to the site. Often the site of a public building is determined after provision is voted for the construction of the building. I notice that in the rotunda at the entrance to the Commons chamber is placed a very interesting model of the suggested arrangement of some of these buildings. I assume the site to which the minister refers as being controversial is shown somewhere on that model. I know that in the past the same question has caused a good deal of difficulty. The minister has my sympathy in his efforts to reconcile conflicting opinions as to the location of this building. That controversy has existed for years and is one of the factors which has delayed the construction.

Can the minister tell the committee at this stage the amounts which have been expended, say, prior to the end of 1936, under the provisions of the Public Works Construction Act of 1934 and the Supplementary Public Works Construction Act of 1935? Also could he

without too much trouble, either now or at a subsequent sitting of the committee, give a list of the projects or items provided for thereby which have not yet been undertaken?

Mr. CARDIN: According to the statement I have before me the expenditure under the Public Works Construction Acts was, for the fiscal year 1934-35, $5,916,559, and for the fiscal year 1935-36, $17,878,406.52.

As to the list of projects contemplated but not yet carried out, I thank my hon. friend for giving me an opportunity of saying that I am not at the moment in a position to give him a statement, but I assure him that the projects which have been abandoned are not very numerous. Practically all of them have been carried on. I will, however, undertake to give the list.

Mr. STEWART: I assume that a number of those projects are still not completed, but to be completed.

Mr. CARDIN: They are practically all completed.

Mr. STEWART: The minister spoke of the policy of the government and its adherence to the belief that public moneys might well be expended for public works rather than in direct relief. Of course there is nothing new about that. During the term of office of the previous government public moneys were expended, in cooperation with the provinces, for public works having for their object the relief of unemployment. I notice that the present government are still continuing that policy, under the agreements made with the different provinces; that is, they are undertaking, in cooperation with the provinces, works for the relief of unemployment. But that leaves out of the program the direct expenditure of moneys on account of the dominion government for the relief of unemployment by the construction of buildings and the undertaking of public works. I do not want to press the matter too far at this stage, because I know the minister's estimates have been brought down fairly early, and the session is in its early stages. I hope the supplementary estimates will disclose something which in a measure will remedy this apparent oversight.

New Brunswick

Moncton—old post office building—improvements and repairs, $11,100.

Saint John quarantine station—Partridge island—improvements, alterations and repairs, $7,000.

Mr. BROOKS: I notice there are some improvements to be made to the old post office building at Moncton. I may say that

they have a very fine new post office there, of which the citizens are proud. What use is to be made of the old post office building in that city?

Mr. CARDIN: The repairs to the old building are being made for the accommodation of the Royal Canadian Mounted Police.

Mr. BROOKS: I should also like an explanation with reference to "appropriations not required for 1937-38." I note that there was $44,000 unexpended last year. I assume that is for public works started but not completed.

Mr. CARDIN: No. I admit I was not very clear myself as to the meaning of those words, which are found all through the estimates. This is not my responsibility. These words are added by the Department of Finance to all the estimates for a purpose which I confess I do not understand very well. In reality they mean this: They include in what is indicated in the estimates as appropriations not required for 1937-38 all the money voted for projects which have been completed. That is why I cannot understand it. All the projects undertaken under an item of the estimates, and completed during the year are put together; officials of the Department of Finance add the amounts up and at the end of our estimates say, "Appropriations not required for 1937-38." Probably the idea is that it is not going to be necessary to revote that money or to rebuild the building which has been completed. In all fairness, however, I am quite ready to admit that there may be good reason for this item from the point of view of accounting in the Department of Finance, but I confess my complete ignorance as to the reason for it. After having had that question put to me last year by both new and old members I tried to have some light thrown upon the matter, and this is the only explanation I have been able to secure. When I look up the list of projects completed during the past year, the total voted for those buildings which have been completed, as far as I can see, is the appropriation not required. That is the only explanation I can give. It may not be very convincing or very clear, but I believe it is a fact. As I have said, there may be very good reason for doing it in this way from the point of view of the Department of Finance, but I have no other explanation to offer than the one I have given.

Mr. BROOKS: I wish to thank the minister for his very clear explanation. As I understand it, in New Brunswick we have $18,000 voted for buildings that are not completed and $44,000 for buildings that have been completed?

Mr. CARDIN: No; the $44,000 was voted in last year's estimates, and that money is not to be voted again this year. That has been spent on the projects which have been completed. The amount provided this year is $18,100, but that amount covers only two items, the Moncton post office building and the Saint John quarantine station. There may, of course, be something in the supplementary estimates.

Mr. STEWART: I really cannot help congratulating the minister upon his explanation of this item. It is different from the explanation I have always given, but I am not sure that it is not just as good or perhaps a little better. Somehow or another I thought that the money voted but not required to complete buildings, or something of that sort, was covered up in these items. However, there are many explanations, and after all it is a bookkeeping matter.

I see the amount voted for the Saint John quarantine station is $7,000, which was the amount voted last year. Under this expenditure does the minister contemplate any extension of or addition to the buildings, and would he care to say what is to be the policy of the government in connection with immigration, whether it will require any extension of the existing building, or whether this just covers repairs and maintenance?

Let me suggest also that in saying that the building at Moncton is to be made available for the purposes of the mounted police, it might be just as well to say that the building is to be devoted to the administration of justice.

Mr. CARDIN: The amount of $7,000 is required for small repairs to be undertaken to the buildings already in existence. We do not contemplate any extension of the present buildings, or any new construction. I can give the amounts estimated, if that is required.

Mr. STEWART: Not if it is only for ordinary repairs; I would not ask that.

Mr. CARDIN: It is just ordinary repairs.

Mr. RYAN: Before the item carries I should like to say in connection with the quarantine station that some very valuable work was done there last season, such as facing the wharves and other necessary repairs, and that there is a good deal more work to be done this season. I should like to ask the minister

whether the department contemplates the construction of a new quarantine station at Saint John in the near future.

Mr. CARDIN: I may say that so far the question has not been considered.

Item agreed to.

Maritime provinces generally—dominion public buildings—repairs and improvements, $50,000.

Mr. BROOKS: In connection with this item, I notice that one of the most important provinces in the Dominion of Canada is not represented here at all. I refer to Prince Edward Island, which is so well represented in this house by the Minister of Finance (Mr. Dunning). I should like to ask if included in this item of $50,000 there are any public works to be carried out in Prince Edward Island, and the minister might also tell us how this amount is to be expended and what work is to be done in the maritime provinces.

Mr. CARDIN: The item under consideration provides for repairs, renewals and improvements to public buildings in the maritime provinces, including Prince Edward Island. I cannot tell my hon. friend how much money was spent in Prince Edward Island last year, but the amount we are asking the committee to vote now is just for repairs and improvements to all the public buildings in the maritime provinces. There are 104 of these buildings that will be kept up from this vote of $50,000.

Mr. BROOKS: If the minister can give us the information, I should like to know just how much is being expended in each province.

Mr. CARDIN: We cannot state in advance exactly what amount is going to be spent in each province. It is an estimate; the expenditure will depend upon the necessities that arise in any province.

Mr. MacLEAN (Prince): I should like to ask the minister if representations were made asking for some improvements to the public building at Summerside, Prince Edward Island. There the situation is that the customs offices are up two flights of stairs. At the moment I am sitting beside the Minister of National Revenue (Mr. Ilsley); he might be able to collect a little more revenue if the offices could be reached more easily. This year we asked for some improvements to the building; the engineers were asked to make an estimate, and perhaps that estimate was sent in. It was requested that the building be enlarged and that the customs offices be moved to the ground floor. If that were done, the upper part of the building could be used by the mounted police, or for some other purpose. It would be a good move if the department could see its way clear to carry out that change, and I should like to know if the minister has received any representations along that line.

Mr. CARDIN: Of course my hon. friend will understand that under this vote we cannot provide for the construction of any buildings. In these items, as I say, we are providing only for repairs and improvements to existing buildings. So far as the other question is concerned, at the moment I cannot say whether any representations have been received asking for the enlargement of the existing building, but knowing the activity of my hon. friend and how alive he is to all that concerns Prince Edward Island, I am quite sure that if the need has been suggested to him he has made representations, and I should not be surprised to find his letter in the records of the department.

Mr. FINN: Before the item is carried may I say that there is no hon. member for whom I have greater respect than for the Minister of Public Works. Although we are discussing his estimates I should like to raise a point in connection with the department headed by the Minister of Mines and Resources. A new policy seems to have been embarked upon, which in my judgment and in that of my constituents—and after all they count—

Mr. SPENCE: Count for you.

Mr. FINN: Yes, and they have done so for twenty-three years. In the immigration office at Halifax, where in former years a local caterer was employed we now have one sent from this part of the country. Local positions should be filled by local people. If everything is to be drawn from the centre and the extremities are to be forgotten, we might as well make up our minds that we are going to lose our feet; then we shall not be able to walk and shall have to go back to the cradle.

Mr. STEWART: And your head, too.

Mr. FINN: In all sincerity I hope the Minister of Mines and Resources, in conjunction with the Minister of Public Works, will look into this matter, so that the policy may be changed and that we may go back to the good old days and do the right thing by the right people. If we have not the right man in Halifax or in Nova Scotia, well and good; but if we have, we want to use him.

I intend to discuss the matter with the Minister of Mines and Resources. I do not wish to take him unawares and therefore I speak at this time through the Minister of Public Works, who is always willing to bear on his shoulders some things which, at a later time, have to be passed to the shoulders of others.

Item agreed to.

Quebec

Bedford—public building, $27,000.
Dominion public buildings—improvements and repairs, $100,000.
Grosse Isle quarantine station—improvements, alterations and repairs, $6,000.
L'Islet—public building, $12,500.
Montreal—postal terminal building, $300,000.
Quebec citadel—improvements and maintenance, $15,000.
Ste. Anne de Beaupre—public building, $22,000.
Ste. Martine—public building, $12,000.

Mr. WALSH: What building is to be erected at Bedford?

Mr. CARDIN: A public building for postal purposes.

Mr. WALSH: Have they not a post office there at the present time? Bedford is a small place.

Mr. CARDIN: They have a post office, but no public building. I am informed that the postal service is being carried on in a rented building.

Mr. LENNARD: What building is to be erected at Ste. Anne de Beaupre?

Mr. FINN: A shrine.

Mr. LENNARD: I believe that has already been erected.

Mr. CARDIN: It is another post office.

Mr. FINN: It is not large enough.

Mr. LENNARD: What is the population of Ste. Anne de Beaupre?

Sir EUGENE FISET: It depends on the time of the year.

Mr. CARDIN: The population is 1,900.

Mr. LENNARD: That seems a heavy expenditure for a post office in a village of only 1,900 people.

Mr. CARDIN: In that locality, due to the thousands of visitors, the population increases during the summer.

Mr. SPENCE: That lasts only a couple of months.

Mr. CARDIN: More than that; it lasts nearly all summer.

Mr. SPENCE: What is the population of Bedford?

Mr. CARDIN: In 1934 it was 1,630.

Mr. SPENCE: You ought to be able to build five post offices there with $27,000.

Mr. BROOKS: This is a vote of $27,000 for a public building in a town in Quebec of only 1,630 people, while there is no vote at all for Prince Edward Island and only $18,000 for New Brunswick.

Mr. CARDIN: There is no discrimination at all in favour of Quebec. I have not under my hand any items by which I could make comparisons, but at another meeting of the committee I could indicate that public buildings have been erected at points in the maritimes having less than 1,600 population. It depends upon the importance of the locality, the prospects of development and the amount of revenue derived from the postal or customs services. It depends, too, upon other services connected with the Post Office Department. Although a place may be small, because of these services it may require a public building.

Mr. BROOKS: Is that true with respect to Bedford?

Mr. CARDIN: I am informed that that is practically so. Bedford is an old, small town in the eastern townships of Quebec. I believe it is a county seat where court sittings are held, and two railways pass through it.

Mr. WALSH: Recently a new industry has been opened in Bedford, which will employ upwards of two hundred people in the next year. No doubt that will add considerably to the business done in the town.

Mr. CARDIN: Without wishing to criticize, may I say I am informed that the number of public buildings in Prince Edward Island is almost as great as the number in Quebec.

Mr. HEAPS: The minister has said that the buildings are to be erected to give postal services to the communities affected. Have such buildings been requested by the Post Office Department.

Mr. CARDIN: In most cases the requests have come from that department.

Mr. SPENCE: I imagine you asked the Post Office Department to ask for it.

Mr. HEAPS: Has the minister any record to show that these two buildings have been requested by the Post Office Department?

Mr. CARDIN: For a long time the citizens of that locality have asked for a public building. As far back as September, 1914, a petition was signed by the residents of that locality asking for the construction of a public building there, and His Honour the

Speaker in 1924 also urged the construction of such a building. I could not say that in this case there has been a recommendation from the Post Office Department.

Mr. HEAPS: Evidently there has been no request from the Post Office Department for the erection of these two buildings.

Mr. CARDIN: There is a request from the Post Office Department for the Bedford building.

Mr. HEAPS: But not for the other one. A principle is involved in this. I do not think the Department of Public Works should put up buildings for any other department unless the department concerned applies for it. Only one building under this item has been asked for by the Post Office Department, and while the amount is comparatively small, nevertheless this country seems to be dotted all over with buildings which evidently the Post Office Department is not very anxious to operate. I have in mind one building running into considerably more money than the amount involved here, which was put up by the Public Works Department for the Post Office Department, and when the building was completed the Post Office Department refused to operate it; they said they did not require the building. If we are going to operate a public utility like the post office, the buildings comprised within that utility should, I think, be entirely wtihin the jurisdiction of the Post Office Department itself. As a matter of principle, the Department of Public Works should not construct buildings for the Post Office Department unless that department has requested them. It is all right for the minister to inform the committee that away back in 1924 some hon. member requested the department to erect a public building there, and it may be all right for the minister to tell us that the citizens of a certain locality have requested his department to erect a building, but if the minister were to put up buildings simply on the request of citizens of different parts of this dominion I am afraid there would be a public building on every street corner. The time has come for this committee and parliament to deal with these matters in a logical way. I do not think the Department of Public Works is the right and proper department to erect public buildings for another department, particularly when that other department has not requested it to do so. Would the minister inform the committee what the postal revenue is in these two towns for which we are asked to erect new buildings?

[Mr. Cardin.]

Mr. CARDIN: The revenue at Ste. Anne de Beaupre for 1934-35 was $8,687, and at Bedford for the same year, $5,093.

Mr. HEAPS: What will be the annual maintenance cost for the Bedford building after it is erected?

Mr. CARDIN: Frankly, I cannot tell.

Mr. SPENCE: How many caretakers are there in it?

Mr. CARDIN: Just one.

Mr. SPENCE: There cannot be many people out of jobs there.

Mr. LOCKHART: Have not these districts like Bedford and Ste. Anne de Beaupre rural mail delivery? It is only a matter of distribution from a centre, is it not?

Mr. CARDIN: There is rural mail in those sections of Quebec, but the mail has to be taken care of in the buildings at Ste. Anne de Beaupre and Bedford before it is distributed.

Mr. LOCKHART: It is only the immediate residents who have to come to the post office for their mail.

Mr. CARDIN: Yes.

Mr. LOCKHART: And the department is spending $27,000 to erect a building for a post office with a revenue of $5,000?

Mr. CARDIN: Yes.

Mr. STEWART: I notice that most of these items are revotes; this is true of the Bedford public building, for instance, and the same is true of the L'Islet public building, the Montreal postal terminal building and the Ste. Martine public building. Will the minister tell us whether contracts have been let and tenders invited for any of these buildings, and generally in what stage these undertakings are?

Mr. CARDIN: Plans are not completed for the Ste. Anne de Beaupre building, but tenders are in for the Bedford building. The vote for the Montreal postal terminal building is for completion of the building.

Mr. SPENCE: How much has the Montreal terminal building cost so far? It seems to me that a lot of money is spent on it every year.

Mr. CARDIN: The total contract is $1,594,046.

Mr. STEWART: Has the site for the Ste. Martine public building been settled? There was a difference of opinion, I remember. If the question has been settled, which site has been selected?

Mr. CARDIN: We have decided to go back to what is known as the old site, which was bought as far back as the time when the late Mr. Robb was Minister of Finance.

Mr. WALSH: In connection with the Grosse Isle quarantine station, could the minister inform us as to the number of cases detained at Grosse Isle during this past season of navigation?

Mr. CARDIN: I have not before me the information my hon. friend asks for. As he knows, these are services under the immigration branch and also the Department of National Health, and the amount of $6,000 we propose to spend for improvements and alterations is at the request of and on representations made to us by the deputy minister of National Health. It covers only repairs to the existing buildings. I thought I had some information as to the number of patients who have been treated there, but I regret to say that it has not been given to us by the Department of National Health.

Mr. WALSH: The reason I asked the question is that I understand there were no detentions at that station during this past season. I am also informed that Grosse Isle station is of very little real use at the present time owing to improved conditions of service at the city of Quebec and generally improved conditions in travel. I understand that the immigration branch has actually withdrawn the services of the Anglican priest who was regularly stationed at Grosse Isle during the navigation season, and other curtailments have been made in order to reduce expense. Yet each year we have an item going through for repairs and renovations in connection with that station. It seems to me that probably a good number of those buildings, not being in use, could be temporarily closed without doing any real harm to Grosse Isle as a possible station for detention of any cases that might arrive in the Saint Lawrence. Would the minister entertain the possibility of consulting with the immigration branch and the department of health and seeing if it might not be possible to work along those lines and save a little of the money that we usually spend there annually, not only on buildings but on the wharf and other projects in connection with that station? I am not for a moment advocating that the island be closed as a station, because I know it might be necessary some day when we run into trouble. At the same time a number of these buildings are kept open and a considerable number of people are maintained on the island from public funds. I understand that the population of the island, all in the service of the government, amounts roughly to a hundred people.

Mr. CARDIN: I feel quite sure that the observations of the hon. member will be brought to the attention of the department of health.

Mr. LENNARD: Referring again to the item of the public building for Ste. Anne de Beaupre, may I suggest to the minister that the present government are not consistent in their policy. I would refer the minister to the circumstances of the erection of the public building in the town of Burlington, Ontario. The late government appropriated $25,000 for a public building, a post office, in Burlington, but when the present government came into office they said it was too great an amount for that town, and it has been reduced to $15,000. I am quite sure that the postal revenue of the town of Burlington greatly exceeds that of Ste. Anne de Beaupre, and for that reason I protest the amount for Ste. Anne.

Mr. CARDIN: I confess that at the moment I am not in a position to make a fair comparison between the proposed public building for Ste. Anne de Beaupre and the one proposed for the town which my hon. friend has just mentioned. But I may say this is a point on which his party is in agreement with me and I am in agreement with them. The proposal for the erection of a public building at Ste. Anne de Beaupre originated with my hon. friends when they were on this side of the house, and I am quite willing to carry on their proposal. It is a very practical one. I assume they were justified in placing in the estimates the necessary amount for that public building at Ste. Anne de Beaupre. As far as Burlington is concerned I have not the facts before me; but would my hon. friend not give me the pleasure of getting credit for economizing to some extent for the public treasury by reducing the amount of the expenditure at Burlington?

Mr. LENNARD: No; I do not think that towns in Ontario should be penalized.

Mr. CARDIN: The total contract is $1,594,046.

Mr. WALSH: Before this item carries, I wish to observe that I am sorry I did not know that the Minister of Public Works was going to be in such a genial frame of mind while preparing his estimates, or I would have made sure that there would be

included an item for that post office which I have been after for Montreal West. It also made me very happy to hear him speak of supplementary estimates. In connection with the public building at Ste. Martine, I believe Ste. Martine is a small parish in the county of Chateauguay. Is that right?

Mr. CARDIN: Yes. The population is nearly 1,500.

Mr. WALSH: This small town of Ste. Martine, on the main highway from Montreal to Malone, seems to be in a rather flourishing condition as far as public buildings are concerned. It is getting more than its share. The provincial government erected a small agricultural college on the outskirts of the town, and now we see it coming into prominence with a public building at the expense of the dominion treasury. Personally I do not think Ste. Martine deserves such preferred treatment. It is a very small municipality and can be served to good advantage with a rural mail delivery rather than a regular post office. I do not think as much revenue will be derived from Ste. Martine as from the town of Bedford. I do not care to criticize the erection of public buildings in Quebec. I am very much in favour of the erection of public buildings, particularly near home and more particularly if they happen to be in my own constituency, and are needed; but this is one case where I am convinced that the building is not a necessity. I do not know whether it has been particularly requested or whether the previous government entertained the suggestion that it should be erected there. I only know Ste. Martine. There are no streets properly so called; there is just one long main road going through the place. The item hardly seems justified under the circumstances, particularly when I cannot get a post office erected at Montreal West, a place of 5,000 people, where the revenue would more than meet the expense of constructing a post office, and the building has been requested by the council. Possibly Ste. Martine had particular influence with the previous government; if so, it has continued that influence with the present government.

Mr. CARDIN: This is another case in which the two parties were in agreement. The proposal started with the Liberal administration and was approved by the following Conservative government, and as a third party I am continuing the policy pursued by my two predecessors. As regards the importance of the locality and the justification for a public building there, I hope the committee will allow me to express a private sentiment that has been very near to my heart for quite a number of years. From the standpoint of advantage to Canada as a whole we hear a good deal about the back-to-the-land policy and the advisability of inducing those who live in our cities to go back to the rural sections. It is only fair that we should give some little encouragement, in the way of small expenditures, to the people in these outlying districts so as to make life more interesting and agreeable to them. We are spending a good deal of money that does not help those living in the rural sections—farmers, small merchants, blacksmiths and those who are trying to make a living in the small localities throughout the country—and it is only reasonable for us to show these people some consideration and to help them as far as we can to live a happy and contented life. We ought to be a little generous to them even if it costs a little more than we might be justified in spending from a purely business point of view.

Mr. WALSH: I sympathize with the minister's remarks; I am in complete agreement with him. We are all in a generous frame of mind particularly during these trying times, and we are inclined to be generous; but I suggest that our generosity must be commensurate with our ability to pay. I suggest to the minister that if the previous government commenced this post office at Ste. Martine, the people of the county of Chateauguay did not approve because they defeated the Conservative member and returned a Liberal candidate, no doubt in protest against the spending of that money in such a small place.

Item agreed to.

Ontario

Dominion public buildings—improvements and repairs, $125,000.
Fort Erie—public building, $48,500.
Haliburton—public building, $12,000.
Kenora public building—installation of fittings, $7,000.
Kitchener—public building, $300,000.
Ottawa departmental buildings—fittings, etc., $55,000.
Powassan—public building, $16,000.
Rainy River—public building, $21,000.
Toronto postal terminal "A"—improvements, $26,000.

Mr. STEWART: I should like to have some information in regard to the item, "Kitchener, public building, $300,000," for which $100,000 was voted last year. Does the amount in the estimates of this year represent the total cost of the building? Will this be sufficient or is it an instalment of the total estimated cost?

Mr. CARDIN: This amount will cover the building and complete the whole thing.

Mr. HEAPS: I observe that there are public buildings at Fort Erie, Haliburton, Kenora and one or two other places. Are these public buildings for post office purposes?

Mr. CARDIN: Yes.

Mr. HEAPS: In how many of these cases has a request come from the Post Office Department for the erection of these buildings?

Mr. CARDIN: As regards Fort Erie, Haliburton and Powassan, the recommendation has come from the Post Office Department.

Mr. LENNARD: A great many of these items are for public buildings. Can the minister assure me that all the fittings indicated in the item are of Canadian manufacture?

Mr. CARDIN: Yes.

Mr. LENNARD: The gold fittings?

Mr. CARDIN: Yes.

Item agreed to.

Saskatchewan

Dominion public buildings—improvements and repairs, $40,000.
Regina—instalment on purchase of armoury, $30,500.

Mr. COLDWELL: How many more instalments of $30,500 due on the Regina armouries will appear in the estimates? I have an idea that one of the reasons why the smaller towns in Saskatchewan do not receive the consideration to which they are entitled is the fact that this item appears year after year and boosts the amount for the province. How many years will this item appear in the estimates?

Mr. CARDIN: The agreement was entered into in August, 1928, and it was for twenty years.

Mr. COLDWELL: Then this amount will appear for a number of years. I wondered whether in order to remedy the disability from which Saskatchewan suffers, some other place could be found for this particular sum.

Mr. CARDIN: I may assure my hon. friend that there is nothing in connection with it to prevent reasonable and needful projects being undertaken in Saskatchewan.

Mr. COLDWELL: We shall remember that.

Item agreed to.

Alberta

Dominion public buildings—improvements and repairs, $32,000.
Olds public building — improvements and alterations, $6,000.
Peace River—public building, $38,000.

Mr. MacKINNON (Edmonton West): I should like to have a little further enlightenment on the manner of showing these votes, and I think I can well ask it in connection with this item of the Peace River public building. For 1936-37 there is shown $31,500, and for 1937-38, $38,000, and then under the revote there is shown $29,900. Does that mean that the sum of between $8,000 and $9,000 has already been expended in the construction of this building?

Mr. CARDIN: No. The sum of $2,500 has been spent for the site, and certain changes have been made making the building a little more expensive.

Mr. LENNARD: What is the population of Peace River, Alberta, and what were the postal revenues for last year?

Mr. CARDIN: The population in 1934 was 1,200, and the postal revenue in 1934-35 was $7,374.

Mr. MacKINNON (Edmonton West): The minister might well point out that the post office at Peace River serves a tremendous district.

Mr. LENNARD: But it is all rural delivery. I would again direct the attention of the minister to the reduction by this government in the amount for the public building at Burlington, Ontario. This item is a striking indication of a building being erected in a village with far less population than that of Burlington; yet the present government reduced the appropriation for Burlington just about half, to $15,000, Burlington having a population of over 2,000. I do not know what the postal revenue is, but I am sure it would be double that of Peace River, Alberta. The people of Burlington will be proud of their public building!

Mr. McDONALD (Souris): I should like to inform the hon. gentleman who has just spoken that this government is reducing the cost of post offices in other parts of the country as well as in Ontario. In the riding which I represent a post office is at present being built for the town of Melita, and in the town in which I live, Boissevain, the former government erected a post office which cost about $25,000 for a population of only 850 people, a cost just about twice what it should be.

It is not the policy of this government, so far as the riding I represent indicates it, to put up post offices costing more than from $10,000 to $12,000 where there are only 700 or 800 people. So, if my hon. friend is insinuating that the riding he represents is not being treated fairly by this government, then I would inform him that in the riding I represent they are cutting the price of post offices in two. If this country is ever to get out of the hole we must do more of that kind of thing.

Mr. LENNARD: I should like to inform the hon. gentleman who has just spoken that the town of Burlington, Ontario, is not in my riding.

An hon. MEMBER: It is pretty close.

Mr. LENNARD: I invite any hon. gentlemen in the vicinity of Burlington to view the building which has been erected there, and then I should like to know their opinion of the job.

Mr. HANSON: I am not interested in Peace River or in Ontario, and I do not speak with reference to any specific riding, but I take it that this government is seeking to assist development in parts of Canada where settlers are coming in, and consequently I think this vote is quite proper. Peace River is a new country with great possibilities of development, and I compliment this government for giving those pioneers some assistance in the development of their country. Ontario as we know has been treated well in the past, and is no doubt well represented in this House of Commons, but the outlying districts, including Peace River, also require help, and I am very much in favour of the suggestion made by the hon. member for Edmonton West (Mr. MacKinnon) that these pioneers should receive some assistance in developing a section which in the future will be one of Canada's most productive areas.

Mr. STEWART: Might I ask the minister when the item for Peace River first appeared in the public works estimates?

Mr. CARDIN: I cannot give the exact date but it was under the previous regime, under my hon. friend.

Mr. STEWART: It was under the Public Works Construction Act. I think the hon. member for Skeena (Mr. Hanson) must have overlooked that.

Mr. HANSON: What is wrong with it? I am complimenting the government for assisting development in a part of the country which needs it.

[Mr. G. W. McDonald.]

Mr. STEWART: I just wanted to thank the hon. gentleman for the compliment to the former government which first put the item into the estimates.

Mr. HANSON: I compliment any government which tries to help the pioneers.

Mr. MARSHALL: How many buildings are under lease in Alberta; for what purposes are they leased, and what amount of money is expended on leases?

Mr. CARDIN: I am sure my hon. friend does not expect me to give an answer to his question at the moment. Later on, under another item, I may be able to give the explanation, which will cover especially what the hon. member has just mentioned. At all events, while I have not the details before me, I am quite ready at the very first opportunity to supply my hon. friend with a complete list.

Mr. MARSHALL: May I also ask the minister if the department has ever considered charging the Post Office Department rent on the buildings that have been built for that department?

Mr. CARDIN: That question was raised during the discussion of the post office estimates last year, and we have supplied the Postmaster General with the estimated value of the occupancy of the buildings which are being rented for the use of the Post Office Department. That question is being studied with a view to reaching a solution along the lines mentioned by my hon. friend.

Mr. MARSHALL: To what department are charged repairs to post office buildings?

Mr. CARDIN: To the Department of Public Works.

Mr. MARSHALL: May I also ask the minister if the Department of Public Works has purchased lots 39 to 42 in block 1 in connection with the Royal Canadian Mounted Police barracks at Edmonton? May I further state that the government entered into an agreement of sale in 1934. The terms were conditional. I should like to understand just what is meant by the terms being conditional, and to know whether the agreement has been consummated.

Mr. CARDIN: I am informed that the barracks have been completed. I have not before me the details which I would require in order to answer the question of my hon. friend, but I shall be happy to supply the information.

Mr. FAIR: Is there any specific basis upon which the grants to the various provinces

are based, or are they made according to the good crops there are in the various provinces or what we had the previous year? My reason for asking is that I find that last year the amount devoted to Manitoba was $105,000, while this year it is $78,500. This year for British Columbia the vote is $318,000, while last year it was $413,500, and for Alberta this year the estimate is $76,000, while last year it was $64,000. These items do not seem to be consistent, and I was wondering whether there was any specific method of arriving at the amount to be granted to each province.

Mr. CARDIN: No definite rule or principle is followed when the estimates are being prepared in connection with the expenditure in the various provinces. We are guided by the requests that are made to the department, and the requirements of each province are considered on their merits, as far as we can judge them. There is no set rule under which a certain percentage of expenditure is apportioned to one province and a certain percentage to another. It depends upon the representations made to us and the justification put forward for the expenditure.

Mr. MARSHALL: I should like to ask the minister—

The CHAIRMAN: The item has been carried.

Some hon. MEMBERS: No.

Mr. CARDIN: That is all right; go on.

Mr. MARSHALL: I should like to ask the minister how many new buildings were erected in Alberta in 1936.

Mr. CARDIN: I am very sorry; that is the third question I am not at the moment in a position to answer. I have not the information before me, and neither has the deputy minister. I hope my hon. friend will not be angry if I ask him to give me a little time. I will supply all the information he requires; we shall have to have another opportunity when the estimates are under consideration, and I will give him all the information he desires on these points.

Item agreed to.

British Columbia

Dominion public buildings—improvements and repairs, $50,000.
Kelowna—public building, $50,000.
Powell River—public building, $58,000.
Prince Rupert—public building, $150,000.
Vancouver postal station "C"—improvements and alterations for seed branch, $10,000.

Mr. NEILL: With regard to this item for Powell River, while it is not in my district I have been asked to ascertain why this building was not constructed last year, and if possible to get an assurance that the work will be carried out in the coming year.

Mr. CARDIN: I am informed by the deputy minister that the Post Office Department refused to accept the building which we intended to put up there.

Mr. NEILL: The site?

Mr. CARDIN: The building itself; they thought it did not provide sufficient accommodation. That was why we decided to increase the amount by $18,000, but the building is going to be constructed this year.

Mr. DONNELLY: How big a place is Powell River?

Mr. SPENCE: I should like the minister to tell us the population of Powell River.

Mr. CARDIN: Five thousand.

Mr. SPENCE: Let us get some information about Prince Rupert. Surely the hon. member for Skeena (Mr. Hanson) has not so much influence that he is worth $150,000 to this house. That is a wonderful sum of money to spend in the deadest town in British Columbia. I think it is an exorbitant amount, and it should not be spent.

Mr. CARDIN: For the information of my hon. friend I may say that in order to arrive at the amount required for that public building we have capitalized the rentals which we have been paying in the past and which we are paying at present for the different government services in Prince Rupert. The site has been given to the federal government by the provincial authorities, and it was by capitalizing the rentals which we are paying at present in Prince Rupert for accommodation for our different services that we arrived at that amount.

Mr. SPENCE: What services are going to be accommodated in that building?

Mr. CARDIN: There is the post office, the national revenue department, the government telegraph and different offices of the marine and fisheries branches.

Mr. HANSON: I am glad the hon. member for Parkdale (Mr. Spence) asked that question because, representing Prince Rupert, it gives me a chance to say a few words. Prince Rupert is one of the greatest North American Pacific ports. The provincial government of British Columbia has seen fit to erect a building there costing approximately half a million dollars, realizing the strategic position of that

city as far as central and northern British Columbia are concerned. The minister has explained that this building will house the post office, the customs department, the Indian branch for central British Columbia and also the fisheries branches and the lighthouse offices. I think I am not wrong in saying that this is the one important point on the central British Columbia coast as far as the development of that area is concerned.

Mr. SPENCE: What is the population?

Mr. HANSON: I am not making any rash statements. As a representative of a part of British Columbia I am trying to explain that we hold a strategic position in British North America. We have the first railway connection in that part of the country.

Mr. SPENCE: Have railways ever paid up there?

Mr. HANSON: The Department of National Defence will no doubt bring before the house some measures which may or may not be approved. So far as I am concerned, I must say that the world is in such a state of turmoil that an oriental power could come in with a rowboat manned by two men, with one additional to handle a machine gun, and they could take the whole coast. I am surprised that an hon. member from a province such as Ontario, one supposed to uphold all British traditions, one of the pioneer districts, should question any expenditure in the part of the country about which I am speaking. We are trying to convey to the committee that we form part of the dominion and that we hold a strategic position within it. I am surprised to hear any hon. member ask about our population, about our traditions or our possibilities.

I remember an occasion two years ago when in opposition I tried to suggest that in my section of the country we have room for hundreds of thousands of families. Upon that occasion one hon. member on the government side of the house said, "Where are you going to put your houses? On the sides of the hills?" I would ask the hon. member for Parkdale to visit that part of Canada and see for himself that we do not have to put our houses on the sides of the hills.

Mr. SPENCE: I have been there.

Mr. HANSON: There are four hundred miles east and west where one cannot see a mountain; there are seven hundred miles north and south where one cannot see a mountain.

[Mr. Hanson.]

Mr. SPENCE: Or anything else.

Mr. HANSON: Consequently it is not necessary to put houses on the sides of the hills. I notice the former Minister of National Defence, the hon. member for Yale (Mr. Stirling) is looking at me; he knows something about the matter. Hon. members who insinuate that we have no space in that part of Canada had better take a trip to our country and find out for themselves. Then they would not come back to the floor of this chamber and say there is any lack of space. Like Mae West I would say, "Come up and see me some time."

So long as British Columbia is in the Dominion of Canada, and so long as we have opportunities and possibilities for development, and the place to put hundreds of thousands of people, I think our interests should be considered. When an hon. member such as the hon. member for Parkdale asks why the government is making such an expenditure, surely he cannot know what he is talking about. We are supposed to be operating under a British constitution and the principles of British fair play.

Mr. TOLMIE: I have much pleasure in supporting what the hon. member for Skeena (Mr. Hanson) has had to say with reference to the port of Prince Rupert and the tremendous area for which it is the Pacific outlet. In his section of the country are many attractions and resources. No person knows just how rich the resources are, because many miles of that section have not been scratched or prospected. I am quite sure the hon. member will agree with that statement, and even without Mae West there are attractions for hundreds of thousands of people. I could not help rising in an attempt to support what the hon. member has said. He has told the truth about that section of Canada, and no doubt he could have told much more had he had time to do so.

In the city of Victoria for many years we have been promised a public building. There has been a feeling that a public building is needed and that the present arrangements for the administration of the business of the federal government in that city are not sufficient. Two or three years ago a suitable site was purchased and plans for a building were accepted, but building has not commenced. Within the last week there has been a serious fire in the post office, destroying two floors and doing a great deal more damage to the remainder of the building. Has the minister any report on the result of the fire, and what are his intentions in the matter?

Mr. CARDIN: The information given by the hon. member is correct. Fire destroyed two floors in which the public services were housed in Victoria. Without having gone into details I am informed that there is a possibility of reconstructing the part of the building which has been destroyed. I am told that something similar happened in Ottawa through a fire which took place about twenty-five years ago, and as a result the department constructed two additional stories. I believe the same can be done in Victoria although I confess we have not yet reached any decision in the matter.

Mr. TOLMIE: I understand the minister to say that the survey of the situation is not yet complete.

Mr. CARDIN: Correct.

Item agreed to.

Yukon Territory

Dawson administration building—repairs, improvements and alterations, $25,000.

Mrs. BLACK: Mr. Chairman, may I be permitted to say that the government is showing great wisdom in granting $25,000 to the Yukon territory. This may seem to be a large sum for the city of Dawson with only about 1,000 inhabitants. It would appear that hon. members on both sides of the house lay stress upon the fact that the number of inhabitants is of importance. Dawson loses many of her people when the working season is on as they go to the mines. The administration building houses the regular government of the territory, the post office, the telegraph office, the gold commissioner's office, the court and the council chamber; in fact all, save the mounted police, have offices there. In the territory we have had two serious floods causing an enormous amount of damage. The last one was last summer, and I was in Dawson almost immediately after the flood had subsided. The administration building was moved almost two feet from its foundation, and a great deal of damage was done to that part of the building.

For a number of years the previous member for the Yukon, my husband, tried to obtain a larger grant to repair the vaults in the administration building, and it is high time those vaults were cared for, if the government wishes to preserve valuable papers which could be lost through fire. In a country where all buildings are frame, there is naturally a heavy fire hazard, and the documents should be cared for. I wish especially to thank the minister for remembering us with this additional grant.

Might I be allowed to say just a word to the hon. member for Skeena (Mr. Hanson). Ever since 1898 I have been going past his home town. When first I went into the north country the site on which Prince Rupert now stands was nothing but a barren, rocky hillside, and to-day we have there a beautiful little town growing, and feeding an area that not only is a mineral section but contains the port for one of the largest fisheries in Canada. It also feeds what will be eventually an agricultural section, because if we have any faith in this country of ours we expect the west to grow.

Mr. POULIOT: Nothing is too good for our gracious colleague from the Yukon.

Item agreed to.

Generally

Experimental farms — replacements, repairs and improvements, $100,000.
Flags for dominion buildings, $5,000.
Military buildings—repairs, fittings and additions, $25,000.
Military hospitals—repairs, improvements and alterations, $80,000.
Decorations for coronation, $65,000.
Post office equipment, $24,000.
Public buildings generally, $30,000.

Mr. NEILL: I notice that one of the items comprised in this vote is $65,000 for decorations for the coronation. I suppose that is what the name implies, decorations which in a day or two will be gone. If it happens to be a wet day they would not look very beautiful anyhow. Does the minister not think the money would be better spent, as was arranged at the time of the coronation of the late King George, in inaugurating some useful scheme? I believe, in the case of the late King George V, at his own request, a fund was subscribed for cancer research. Suppose we did something of that kind, or established playgrounds for children or homes for orphans. Does the minister not think that would be a far better indication of our respect and loyalty, than to waste the money on something which is evanescent and would at best last only a few hours? But if it were used as the basis of some such fund as I suggest, public sentiment might be aroused throughout the dominion and people would contribute more money to make it a substantial amount.

Mr. CARDIN: According to the information which has come to me, the generosity of the late King George V, in connection with the fund my hon. friend mentioned, was demonstrated on his jubilee celebration, not his coronation.

To a certain extent I would be inclined to agree with the remarks that have been made

by the hon. member for Comox-Alberni (Mr. Neill) but I am afraid we would disappoint a very large number of people if we did not make the necessary expenditure for the appropriate decoration of all our public buildings on the occasion of the coronation of the present king. It may be that those who share the views of my hon. friend, and my own to a certain extent, would find themselves in a very small minority as compared with those who would be anxious to show their enthusiasm and loyalty by decorating their houses and having the public buildings decorated on that occasion. It is often good to follow the example of others, and I am informed that in London one large store alone is preparing to spend $600,000 simply on decorations for the coronation to show their respect for the king. So I am afraid my hon. friend is not voicing the opinion of the majority, although he may be voicing mine to a certain extent. After all, this is a very modest sum to be spent by Canada for the decoration of our public buildings. If the money were to be spent on only one building in Ottawa there might be some justification for my hon. friend's criticism, but this is for the decoration of public buildings throughout Canada, and when one considers the number of buildings that belong to the government one can see that it means a very small amount for decorations for each building.

If it happens we have bad weather, as my hon. friend suggests, it is not likely to be bad weather everywhere throughout the dominion, and some places will undoubtedly be enjoying nice weather, so that the decorations will not be a total loss even if there is bad weather in spots. Under the circumstances I think we are justified in joining with others and putting up decorations.

Mr. NEILL: I would make two comments on the fact that a store in London is going to spend $600,000 on decorations. The first is that a large portion of that will, I should imagine, be put down to advertising. The second is that there is going to be an enormous gathering in London, which would justify the expenditure. But in which of our cities is there going to be an enormous gathering? If I understand the minister, this money will be evenly distributed for decorations on all the public buildings, and there will not be any substantial gathering at any one of them.

The minister also says that he believes I am in the minority in my view. Possibly, but I am not aware of that, and even if it were so, if he will look over the pages of history he will find that the minority has often been justified.

[Mr. Cardin.]

May I ask what particular form the decorations are going to take? Are there going to be firecrackers, flags, an electrical display, or what? I understand the decorations are not only for Ottawa, but to be evenly distributed over every public building.

Mr. CARDIN: All the public buildings in the main centres.

Mr. NEILL: Who is to be the judge of what constitutes a main centre? Is the public building at Port Alberni not just as much entitled to celebrate the occasion as any building in Montreal or Toronto, in proportion?

Mr. CARDIN: Yes. If my hon. friend makes a request, I expect I can spare a few flags for him.

Mr. CLARKE (Rosedale): What proportion of this $65,000 will be granted to the Toronto district? Toronto is our second largest city, and I would suggest that there should be something for Toronto.

Mr. CARDIN: We have not yet decided on any apportionment of this amount. We have simply made a rough estimate of what might be required for decoration of the public buildings in the most important centres in Canada, but I can assure my hon. friend that a very good share of the expenditure is going to be reserved for the great city of Toronto.

Mr. NEILL: I would point out to the minister that already he is in trouble. One man wants his share, and I want my share. Already we are approaching this matter from a petty, parochial point of view, and if that plan is followed he will have to allocate the money on the basis of so much per head, whereas if the money were used along the line I indicated, for some useful public purpose, our better instincts would be stirred and we would contribute some money of our own to help swell a fund that was started for some real practical purpose, and would not be squabbling among ourselves.

Mr. CARDIN: We could not get very far with $65,000 if we were to start on a program based upon social needs in Canada. There would not be much if the vote were divided among 245 constituencies.

Mr. NEILL: It would be a start, and would give an impetus. If he puts up $65,000 to start a worthy cause I will subscribe my little mite and other people will do the same.

Mr. CARDIN: We have to make a choice, and if we followed my hon. friend's suggestion and started on a program to meet certain social needs there might be nothing left for Comox-Alberni.

Mr. POULIOT: I have not the least objection to the vote of $65,000 for decorations for the coronation, provided it is spent only for the decoration of buildings, not of men. There should also be an amount for a very different matter. I happened to be outside this building when the Governor General's horse guards paraded for the opening, and I noticed that they were very poor riders. As they will take part in the celebration of the coronation, I suggest that there should be an item to give them lessons in riding in order that they may not be any longer a disgrace in the parades which take place around this building.

Mr. BROOKS: With reference to the item of military hospitals, are any particular hospitals being considered, or is the item a general one for repairs to military hospitals throughout Canada?

Mr. CARDIN: This amount is required for general repairs and improvements to the various military hospital buildings throughout the dominion.

Mr. BROOKS: The department has no particular hospitals in any place to which this item has specific application?

Mr. CARDIN: No, not in particular.

Item agreed to.

Rents, Repairs, Furniture, Heating, etc.

Ottawa public buildings and grounds—
Elevator attendants, $124,000.
Departments generally—char service, including $150 for firing noon gun, $489,000.
Heating, including salaries of engineers, firemen and watchmen, $408,000.
Light and power, including roads and bridges, $204,000.
Repairs, improvements, additions and maintenance, $360,000.
Rideau Hall—allowance for fuel and light, $19,000.
Rideau Hall—improvements, furniture and maintenance, $42,000.
Telephone service, $93,000.
Water, $67,000.

Mr. STEWART: I ask the minister to be good enough to adopt the usual course of leaving one item open for discussion upon any matter that may arise. I cannot think of a more comprehensive item than this one, and I suggest that he should allow it to stand and that we might deal with the next one, and so clean up public buildings.

Mr. CARDIN: My hon. friend refers to item No. 117?

Mr. STEWART: Yes. That might well stand.

The CHAIRMAN: Item stands.

Mr. POULIOT: I have just a word to say about it. It is, that if the chief justice of Canada were the governor general, and if the chief justice of each province were lieutenant governor of that province, this item would disappear and we would save a great deal of money. I make that suggestion because the chief justice of Canada is competent and duly qualified to represent His Majesty, and so are the chief justices of the provinces. The suggestion was made in the house some years ago. I renew it in order to give every member an opportunity to think it over. In these times of stress—

The CHAIRMAN: Order. I do not want to interrupt the hon. member for Témiscouata (Mr. Pouliot), but item 117 stands.

Mr. POULIOT: Yes, but it has not been decided yet.

The CHAIRMAN: Oh, yes.

Mr. POULIOT: I spoke before it was decided that it stood. By the way, I am through.

Item stands.

Dominion public buildings and grounds—
Dominion immigration building—repairs, improvements, additions and furniture, $10,000.
Dominion quarantine stations—maintenance and repairs, $13,000.
Fittings and furniture, $100,000.
Heating, $463,000.
Light and power, $334,000.
Rents, $1,390,000.
Salaries of caretakers, engineers, firemen, etc., $1,395,000.
Supplies for caretakers, engineers, firemen, etc., $62,500.
Water, $84,000.
Yukon public buildings—rents, repairs, fuel, light, water service and caretakers' salaries, $24,500.

Mr. STEWART: I notice that the amount of the item of rents is substantially less than that appropriated last year. I assume that is owing to the fact that we are occupying some buildings we have constructed and have been able thereby to give up some leases.

Mr. CARDIN: Exactly; that is the reason.

Mr. STEWART: Could the minister, on the item which has been allowed to stand, inform the committee of the leases which are being surrendered or given up, and also any additional leases that have been entered into recently.

Mr. CARDIN: I will do so.

Item agreed to.

DEPARTMENT OF FISHERIES

Salaries and disbursements of fishery officers and guardians, fisheries patrol and fisheries protections service, $930,000.

Mr. LENNARD: Will the minister explain the increase?

Hon. J. E. MICHAUD (Minister of Fisheries): Yes. An increase of $3,035 for fishery officers, $8,307 for service of guardians, and $60 for increased boat service.

Mr. BARBER: Is it the intention to increase the number of fishery guardians in British Columbia, and, if so, to what extent?

Mr. MICHAUD: It is not an increase in the number of officers. It represents statutory increases of officers' salaries.

Mr. BARBER: Are the services of any of the officers or guardians being dispensed with?

Mr. MICHAUD: No.

Item agreed to.

Building fishways and clearing rivers, $9,000.

Mr. CLARKE (Rosedale): Will the minister inform us what rivers are being cleared and where the building of fishways is to be done?

Mr. MICHAUD: Wherever it is needed, depending upon the obstructions that may happen to be found, especially in the spring of the year after the run of the ice or logs. If the hon. member wants a list of the rivers upon which money was expended last year, I shall enumerate them.

Mr. CLARKE (Rosedale): It would take up too much time to give all of them. But where an advance has been made which more than doubles the cost of the work, it would seem to me that there should be something more definite in the minister's explanation.

Mr. MICHAUD: It is for the purpose of building a fishway through certain falls of a river in British Columbia called the Maggie river. The fishway is now under construction.

Mr. BARBER: Where is that?

Mr. MICHAUD: On the west coast of Vancouver island.

Mr. HANSON: Since the government has seen fit in its wisdom to abolish the salmon hatcheries on both the Pacific and the Atlantic coasts, I submit that reasonable consideration should be given the original spawning grounds in the different rivers on both the Atlantic and the Pacific. As a result of correspondence I have had with game and fish organizations I can assure the government that there is a widespread feeling that in consequence of the abolition of the hatcheries something is necessary for the preservation of the fish, and that attention should be given the original spawning grounds. I have not thought it advisable so far to bring this matter to the attention of the government, but I would urge upon the minister that he give reasonable consideration to any suggestions which may be made in connection with the original spawning grounds on the Atlantic and the Pacific coasts. No doubt the hatcheries were originally established to assist the spawning grounds, but since it has been decided to discontinue these hatcheries, I think it is wise for the government to consider very carefully any suggestions which come from those familiar with the subject in regard to the original spawning grounds of salmon. Years ago in certain districts trees were plentiful in the vicinity of rivers and creeks, but fire has destroyed them in many places and the trees have fallen into the water, making it practically impossible for the salmon to reach the spawning grounds. I submit that when recommendations come from reliable sources the department should take steps to clear the creeks of these obstacles which prevent the salmon from getting up to the original spawning grounds.

Mr. MICHAUD: Every precaution is being taken to protect the spawning grounds, and I shall be pleased to consider every recommendation or suggestion that may be made to the department.

Mr. TOLMIE: From present indications does it appear that the hatcheries will be permanently discontinued?

Mr. MICHAUD: Just the sockeye hatcheries. We hope it will be possible to make use of those hatcheries that have been in operation for some years for the conservation and propagation of sport fish. At present there is a joint committee of the dominion government and the government of British Columbia studying the problem, and in the meantime some of the hatcheries are being kept open for experimental purposes.

Mr. TOLMIE: In connection with sport fish?

Mr. MICHAUD: Yes.

Item agreed to.

To assist in the conservation and development of the deep sea fisheries and the demand for fish, $61,600.

Mr. BROOKS: I have noticed a good deal of favourable comment, both in the press and on the part of the public, on the minister's efforts in trying to increase the demand for fish throughout Canada, and I am sure that those efforts are commendable. In connection with conservation, a commission has been investigating the lobster fisheries on the north and west coasts of New Brunswick. Is this item to include the expenses of that investigation? I understand from reports in the newspapers that the boats used for patrol purposes are not capable of coping with the situation; that is, the boats used by those who are illegally fishing lobsters are faster than the patrol boats. Is it the intention of the department to get faster boats for that service and to see that illegal fishing is prohibited in that district? I do not think the fishermen are altogether to blame for the situation which has arisen there. For a great many years they have been suffering great hardships, as indeed they are at the present time. They have not been able to make a livelihood for very many years, nor can they make a livelihood to-day in that part of New Brunswick. I said last year—and I believe that my words then are true to-day—that the fishermen there were disappointed in the treaty we made with the United States. They expected that more provision would be made for the sale of our maritime fish in the United States. The great difficulty facing the fishermen in the maritime provinces is the question of markets. I wish to commend the minister for the efforts he has made to secure increased markets throughout the country and to encourage the people in the larger centres, particularly in central Canada, to eat more fish.

Mr. MICHAUD: In reply to the first question I would say, yes. The cost of the inquiry is to be paid, not out of this vote but out of a similar vote passed last year, because the expenditure is taking place in the present year. Second, I should hesitate to discuss the nature of the evidence which has so far been submitted to the commissioner, because it is not yet all complete. The investigation is being carried on by a royal commissioner, a judge of the supreme court, and I should prefer to wait for his report before placing any interpretation on the evidence that has been adduced before him. As regards the criticism that the government boats are not adequate, I do not believe that has been yet established, but some opinions have been given to that effect. We are satisfied that most of our men are efficient and most of our boats are of equal speed to those of the few who defy the regulations and the law. I can assure my hon. friend further that we are going to make some changes in the regulations, which changes will depend upon the report and suggestions of the commission.

Mr. hon. friend referred to the price of the fish to the fishermen. It is true that under the treaty with the United States the concessions were not as great as was expected; notwithstanding that, during the last year our exports of fish to the United States have more than doubled.

Mr. BROOKS: Is that from the maritime provinces, or from the whole of Canada? I know that from British Columbia they have increased, but I understand that from the maritime provinces they have not.

Mr. MICHAUD: Oh, yes, the total export of fish to the United States last year was 100 per cent greater, and the same ratio would apply to exports from the maritime provinces, mostly fresh fish.

Mr. hon. friend has referred to the depressed condition of the fishermen along the coast of New Brunswick, especially the lobster fishermen, whose situation we are investigating now. I may inform him that there is no duty on lobsters going into the United States, and fortunately our fishermen have enjoyed a fairly good market during the present season, although the catch was not as large as it had been in the past.

Mr. RYAN: I do not know that my question is in order in connection with this particular item but I should like to ask the minister about a licence fee imposed by the late government on the fishermen of Lorneville. I do not know whether that was done to assist in the conservation of the deep sea fish or what the object was, but I have had innumerable protests and I cannot get any explanation why there should be what I call this discrimination against the fishermen of that district. Can the minister give some information as to what revenue is produced, and what the reasons are for centering on this particular district to impose this licence fee, which is regarded as a nuisance tax? I should like to have some information which I may convey to those who are repeatedly writing me protesting against the imposition of this fee.

Mr. MICHAUD: I believe my hon. friend has reference to a nominal fee of $1 charged to those who wish to take out a fishing licence. It is simply for the purpose of administration. If there were no fee most of the people would forget to take out the licence, which the law

compels them to take out. I do not believe my hon. friend is correct in stating that there is discrimination against the people of the community he mentioned, because the regulation applies to all who want to take out licences in New Brunswick, and not to those of any particular locality.

Mr. RYAN: Would the minister tell me how many licences are issued in the fishing district adjoining Lorneville?

Mr. MICHAUD: I have not the details by localities of those who have taken out licences during the past year. I have the information for the entire province. In district No. 2, salmon gill net drift licences, 192, and trap nets, 386; in district No. 3, 161 gill nets and 97 trap nets; Gaspereau licences, 137. Probably it is district No. 3 in which the place referred to by the hon. member is situated. There were 23 shad licences, or a total of 1,135 licences in district No. 3.

Mr. RYAN: I cannot say that is the district, but I would ask the minister to be kind enough to take this matter into consideration. This tax may not seem serious to some, but it is creating a hardship on the fishermen. I do not see what the department gains by imposing this licence fee. It is only a recent innovation; the fishermen carried on for years without it. I know there is considerable opposition in the department to what I am saying, but I wish the minister would take the matter into consideration. The fishermen are protesting; the country gains very little by the collection of the fee, and I assure him that in these days when the fishermen are struggling to earn a livelihood in an honest way, as they do in my part of the country, it would be appreciated if this licence fee were done away with. I ask that in all seriousness.

Mr. LEADER: As some hon. members know, I come from Manitoba, where it is generally believed that we raise wheat, cattle and other agricultural products. When I heard this discussion of the fishing industry on the Atlantic and the Pacific I was much interested, because the fishing business in my province is developing into quite a large industry. Our fresh water lakes produce the best whitefish and pickerel in the world and I just wanted to apprise members of the committee of that fact. I also wanted to tell them, as I have told the minister—and he was good enough to answer my correspondence—that the fishermen of my province suffered a major catastrophe this year. After the winter season opened and the ice was sound enough they went out and placed their nets. Then milder weather developed, with high winds; the ice was broken up, and hundreds and thousands of these fishermen lost their nets. I accompanied a delegation to Winnipeg and we appealed to the Manitoba government for aid. The appeal was also taken up with the dominion government, but they found it impossible to reimburse these fishermen for their loss. This was really too bad, because I believe since then many of those men have had to apply for relief. It seems to me that it would be a very wise action on the part of this government and our provincial government if they would take care of situations such as these, which develop perhaps only once in ten years. I just wanted to tell the minister that a major catastrophe occurred and a great hardship overtook those honest, hard working people in Manitoba. If there is in the estimates any amount that can be made available to reimburse these men in order to reestablish them for next year, I believe the officials of the department should give the matter their very earnest consideration.

Mr. MICHAUD: In reply to the hon. member and for the information of the committee may I say that the fisheries of the inland provinces do not come under the jurisdiction of the federal authorities. For that reason, and for that reason alone, I was sorry to have to turn down his request for help in the matter he has just brought to the attention of this committee.

Item agreed to.

DEPARTMENT OF TRANSPORT

Marine Service

Aids to navigation: maintenance and repairs to wharves, $7,500.

Hon. C. D. HOWE (Minister of Transport): This item covers the expenditure for maintenance and minor repairs to the large number of small public docks administered by this department. Major repairs to these docks are made by the Department of Public Works, but repairs costing less than $50 are made by the department as required, and this appropriation is for that purpose.

Item agreed to.

Amount required to pay pensions to pilots: Alphonse Asselin, John I. Irvine, Adjutor Baillergeon, J. Alphonse Lachance, Joseph Pouliot, Raoul Lachance, Phileas Lachance, Arthur Baillergeon, J. H. Talbot, Jules Asselin, Joseph Vezina, $3,300.

Mr. HOWE: This is an appropriation which goes back to 1906. At that time the pilotage district of Quebec was reorganized

and the number of pilots reduced. There were far too many pilots there for efficiency, and as part of the plan to reduce the number of pilots provision was made for pensioning the then existing pilots at the age of sixty-five, with a pension of $300 per annum. The pilots are becoming less in number each year, which accounts for the reduction in the vote this year.

Mr. MARSHALL: May I ask the minister how many were retired?

Mr. HOWE: The names of the surviving pilots appear in the estimates. I think there are eleven of them left, out of a total of fifty-one.

Mr. FINN: I should like to direct to the Minister of Transport a question that has been brought to my attention by steamship men who are trading up the St. Lawrence river and through to the great lakes. I am told that in the great lakes these ships are required to carry two pilots, and the expense is so great that it is absolutely impossible for those engaged in the shipping business in the port of Halifax to enter into trade which carries them into the great lakes. It seems to me there should be some sound reason for requiring ships to carry two pilots, but this information comes to me from an outstanding shipping man who is directly engaged in that trade. He informs me that if that regulation is enforced he will have to retire and take his ships out of the trade between Nova Scotia and the great lakes.

Mr. HOWE: I may say that no such regulation as has been suggested by the hon. member for Halifax is in force at the moment. Some conversations have taken place with the United States about it, but at the present time the whole matter is only under discussion. No conclusions have been arrived at as yet, and I do not think anything further can be said about the matter just now.

Mr. FINN: It is as the minister says: I had forgotten that this is a question having to do with a relationship between the United States and Canada. Perhaps this is not an opportune time to discuss the matter; I accept the suggestion of the minister, but I should like an assurance from him that before this matter is dealt with hon. members will have an opportunity of discussing it further.

Mr. HOWE: In reply to my hon. friend I may say that if any such arrangement is made, I am informed that it must be by legislation, so the house will have a chance to discuss it.

Mr. FINN: I do not want to be unduly technical, but is it necessary that this should be done by legislation? May it not be done by treaty, binding both countries, which will be brought to this house only for confirmation? If that is so, I think an opportunity should be afforded hon. members to discuss this matter. It is not a question in which I am interested personally, but when steamship people in my constituency are interested and set out the facts succinctly, clearly and honestly, we should have an opportunity of dealing with this question in a preliminary way so that we shall not find ourselves in the position of having international negotiations carried on, resulting in a treaty being brought into the house as a government measure for confirmation, so that refusal to vote for it will be equal to a vote of want of confidence in the government. I do not want to place myself in that position, but I should like to be able to discuss the question in order that those who are interested might be informed as to the position and as to the possibility of a further discussion being carried on before any of these international pourparlers are concluded as between the United States and Canada in reference to this vital question of putting two pilots aboard a ship and making the charterer or owner of the ship pay for two pilots when one would be sufficient. That is the only point.

Mr. HOWE: I shall do my best to see that the hon. member has an opportunity to discuss the matter before we go too far.

Mr. FINN: I am satisfied with the minister's answer.

Item agreed to.

Compassionate allowance to recoup the Workmen's Compensation Board of British Columbia in continuation of a pension granted and to be paid by that board up to the 31st March, 1938, in the sum of $35 per month, to the widow of the late E. J. McCoskrie, who was formerly employed as port warden at Prince Rupert, B.C., and who was killed while in the performance of his duties, $420.

Mr. STEWART: How long has this item been running? I see there is a vote in 1936-37?

Mr. HOWE: It was instituted in 1930-31.

Mr. STEWART: Is it annually during the lifetime of the recipient?

Mr. HOWE: Yes, through the widow, I believe. The person in question was a port warden at Prince Rupert who was killed on duty. He was not entitled to a pension, and this is a compassionate allowance to his widow.

Item agreed to.

Compassionate allowance to John Davidson, formerly lightkeeper at Cape Mudge, B.C., $500.

Mr. STEWART: How long has this item been running?

Mr. HOWE: Since 1922-23. It has been annual since then.

Item agreed to.

Steamboat inspection, $172,625.75.

Mr. MacNICOL: Why is there an increase?

Mr. HOWE: It is for statutory and promotional increases.

Mr. FINN: Does this apply to steamboats that are receiving subsidies, or just government boats?

Mr. HOWE: Government and other boats. I find the increase is for statutory increases and promotions and that it amounts to about $1,000.

Mr. STEWART: I should have thought this would come under civil government, if they are permanent employees?

Mr. HOWE: Although I have not the exact details, I am told that this includes members of the staff who are not included in the civil government vote.

Mr. STEWART: How do statutory increases go to them?

Mr. HOWE: All members of the service receive statutory increases, whether or not they come under the civil government item.

Mr. STIRLING: In the previous year there was a decrease of $11,000, while in the present year there is an increase of a few hundred dollars.

Mr. HOWE: Yes.

Mr. STEWART: Either to-night or before the item passes would the minister be prepared to give particulars of the expenditure in the last year?

Mr. HOWE: Yes. They are these for the coming fiscal year:

Salaries of administrative staff, $22,050.
Salaries of steamship inspectors, tackle inspectors, clerks, $130,495.75.
Travelling and office expenses, $15,080.
Travelling expenses of customs officers, investigating complaints, expense of legal proceedings, printing, stationery and unforeseen expenses, $5,000

Mr. STEWART: How many inspectors are includued in that expenditure?

Mr. HOWE: Thirty-two will be required.

Mr. STEWART: Where are they located?

Mr. HOWE: Halifax, Saint John, Quebec, Sorel, Montreal, Kingston, Toronto, Midland, Collingwood, Port Arthur, Vancouver and Victoria.

[Mr. Howe.]

Mr. STEWART: The minister has an excellent memory and his geography is particularly good. Are these inspectors appointed by the civil service commission?

Mr. HOWE: Yes.

Mr. STEWART: What is the salary of an inspector?

Mr. HOWE: They range from $3,660 to $2,880. That of the senior steamship inspector is $3,660; steamship inspector, general, $2,820 to $3,360; inspector of boilers and machinery, $2,520 to $2,880; inspector of hull equipment, $2,520 to $2,880; inspector of ships' tackle, $1,260 to $1,440.

Item stands.

Progress reported.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Wednesday, January 27, 1937

The house met at three o'clock.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

HAMILTON HARBOUR COMMISSION

Mr. LENNARD:

1. Who were the members of the Hamilton harbour commission during the year 1936?
2. What individual salary did they receive?
3. Are they allowed certain expenses in addition?
4. If so, what expenses did they incur individually?

Mr. HOWE:

1. D'Arcy Martin, K.C. (chairman), R. H. Yeates and A. G. Gaul until March 4th; after that date, C. V. Langs, K.C. (chairman), E. H. Corman and A. G. Gaul—the latter being the appointee of the city.

2. The salary attaching to the chairmanship is $1,500 per year, and to the other two members $1,200.

3 and 4. During 1935 the former commission paid the expenses of its members in attendance at Ottawa amounting to $578.21, which includes car allowance to Mr. Yeates of $75. In 1936 the board paid the expenses of the present board in connection with various attendances at Ottawa, $235.05. No expenses were incurred individually other than the car allowance item of $75 allowed Commissioner Yeates.

NARCOTIC DRUGS

Mr. FLEMING:

1. What is the total amount of opium, morphine and codein imported into Canada in 1932, 1933, 1934, 1935, and 1936?

2. Has the Department of National Health taken any action to stop the sale of narcotic drugs?

3. Has the Department of National Health taken any action to look after drug addicts?

Mr. POWER:

1.

	Opium (lbs.)	Morphine (including Diacetyl-morphine and Ethyl-morphine) (ozs.)	Codeine (ozs.)
1932	615	4,442	17,019
1933	685	5,316	26,361
1934	458	5,476	28,915
1935	730	4,883	35,669
*1936	435	5,256	22,909

*Figures are based on import licences issued, as customs statistics are not yet available. Final figures may be somewhat lower, dependent on goods covered by licences issued late in 1936 not arriving until 1937.

2. It controls the legal sale in wholesale and retail drug stores by means of the Opium and Narcotic Drug Act. The illicit traffic is, with the cooperation of federal, provincial and municipal police forces, sought out and combated under both the Opium and Narcotic Drug Act and the criminal code. There were one hundred and sixty-three convictions under the former in 1935.

3. The department is constantly in communication with the medical profession in relation to individual cases of drug addicts, the responsibility for the care and treatment of which, however, comes within the provincial orbit, as do the tuberculous or the insane. Three provinces have passed legislation in the matter.

WELLAND CANAL WEED CUTTING

Mr. SENN:

What was the total cost of cutting weeds on the Welland canal feeders for each of the years 1934, 1935 and 1936?

Mr. HOWE:

Total cost of cutting weeds on Welland canal feeders during the years in question was as follows: 1934, $905.74; 1935, $1,146.08; 1936, $1,614.40.

NATIONAL EMPLOYMENT COMMISSION

Mr. DOUGLAS:

1. What is the personnel of the National Employment Commission?
2. What salaries were paid during 1936?
3. What is the rate for each member per annum?
4. What has been the total amount spent on, for or by this body?

Mr. ROGERS:

(1) Name	(2) Total salary paid in 1936	(3) Salary rate
A. B. Purvis	Nil	$20 per day, less five per cent.
A. N. McLean	Nil	$20 per day, less five per cent.
Alfred Marois	$1,843.00	$20 per day, less five per cent.
Tom Moore	$8,550.00 Paid from employment and social insurance.	$9,000 per annum less five per cent.
Mrs. M. M. Sutherland	$3,439.00	$20 per day, less five per cent.
W. A. Mackintosh	$1,425.00	$20 per day, less five per cent.
E. J. Young	$3,021.00	$20 per day, less five per cent.

(4)

A. From Vote 332..	$58,313.19
From Vote 336 (registration)	36,249.36
Total..	$94,562.55

CANADA—WEST INDIES TRADE

Mr. ISNOR:

1. What was the total amount of exports in dollars of all goods from Canada to West Indies for the years 1927, 1928, 1929, 1930, 1931, 1932, 1933, 1934, 1935, and 1936?

2. What was the total amount of imports in dollars of all goods from the West Indies to Canada for the same periods?

3. What was the total amount of exports in dry fish to the West Indies for the same periods (quantities and value in dollars)?

4. What was the total amount of exports of potatoes from Canada to the West Indies for the same periods (quantities and values in dollars)?

Mr. ROGERS:

1. Domestic exports from Canada to the British West Indies for the fiscal years ended March 31, 1928 to 1936, were as follows:

Fiscal years	
1928..	$19,145,055
1929..	20,524,366
1930..	19,870,292
1931..	17,802,611
1932..	12,008,912
1933..	10,027,189
1934..	9,243,461
1935..	9,893,227
1936..	10,553,357

2. Imports into Canada from the British West Indies for the fiscal years ended March 31, 1928 to 1936 were as follows:

Fiscal years	
1928..	$23,633,051
1929..	20,638,916
1930..	18,078,443
1931..	18,742,366
1932..	16,508,308
1933..	12,248,000
1934..	10,808,017
1935..	14,550,431
1936..	17,189,253

3. Domestic exports of "Fish, dried, salted, smoked or pickled," to British West Indies for the fiscal years ended March 31, 1928 to 1936 were as follows:

Fiscal years	Quantity cwt.	Value
1928..	27,237,900	$1,471,759
1929..	23,506,400	1,391,057
1930..	28,718,100	1,879,229
1931..	25,658,600	1,381,819
1932..	21,502,700	944,475
1933..	23,398,100	836,624
1934..	24,272,500	799,265
1935..	23,427,500	947,749
1936..	22,988,700	899,245

4. Domestic exports of potatoes to British West Indies for the fiscal years ended March 31, 1928 to 1936, were as follows:

Fiscal years	Quantity bush.	Value
1928..	191,146	$187,726
1929..	291,998	229,800
1930..	216,181	186,544
1931..	203,608	170,293
1932..	368,777	184,386
1933..	299,544	139,570
1934..	249,549	137,044
1935..	368,321	184,832
1936..	381,950	210,796

J. J. MCCRUDEN

Mr. DOUGLAS:

1. What was the total amount paid to Mr. J. J. McCruden, McTaggart, Saskatchewan, for the taking of a census, and other services?

2. Was Mr. McCruden employed on his own vocation while drawing this money from the government?

3. Did Mr. McCruden give full time service in return for the money received?

Mr. ROGERS:

1. $750.

2 and 3. Do not know Mr. McCruden's vocation or hours of work, but he gave the necessary time to carrying out his duties as census commissioner.

CANADIAN NATIONAL STEAMSHIPS—DAIRY SUPPLIES

Mr. BROOKS:

1. Where does the Canadian National Steamships Company purchase the following dairy products used on route Halifax to West Indies: (a) butter; (b) cream; (c) ice cream?

2. What amount was paid for each of the above products in the year 1936?

Mr. HOWE:

1. (a) Halifax; (b) Halifax, Prince Port, N.S., and Boston, Mass.; (c) Halifax and Boston, Mass.

2. The question whether such information should be divulged is one for the consideration of the select standing committee on rail-

ways and shipping. The Canadian National Steamships management feel that it is not in the interest of the company to make such information public.

QUESTIONS PASSED AS ORDERS FOR RETURNS

EUROPEAN WAR PENSIONS

Mr. ELLIOTT (Kindersley):

1. How many European war pensions are being paid to Canadians?
2. How many pensions are paid to other than Canadians?
3. How many recipients of pensions are regularly employed in remunerative occupations?
4. How many receive income from other sources?
5. How many members of parliament receive war pensions?
6. What are the rates of pensions for the various ranking officers?
7. What are the rates of pension received by the various classes of pensioners, with income, wages, salaries, dividends received from other sources (classified in groups, if necessary)?
8. Are pensions assessable for income tax?

MONTREAL POSTAL SERVICE

Mr. FERLAND:

1. Did the Civil Service Commission, in 1930, establish an eligible list of candidates in Montreal for positions as postal helpers, letter carriers, clerks or mail porters?
2. Is said list still in force? If not, when was it abrogated?
3. Has the Civil Service Commission, since 1930, established another list of eligible candidates for similar positions in Montreal?
4. Has the Post Office Department, since 1930, engaged any employees, such as clerks, letter carriers, or mail porters, in Montreal, other than those appearing on the 1930 list? If so, how many?

Mr. RINFRET: Return tabled herewith.

Mr. JEAN:

1. What are the names of all the officers and employees, whether permanent or temporary, in the postal service at Montreal, during 1936?
2. What was the nature of their respective duties, and the salary of each during the course of the year?
3. What are the dates of their appointments respectively, indicating whether they were nominated by the Civil Service Commission, or the Postmaster General, or otherwise?

MOTIONS FOR PAPERS

WHEAT BOARD—PAPERS RESPECTING INSTRUCTION TO HANDLE ONLY AT 90 CENTS

Mr. HANSELL:

For a copy of all letters, resolutions and communications approving or disapproving the government's action instructing the wheat board to handle wheat only when the price dropped to 90 cents per bushel.

LIVELONG, SASK., POST OFFICE

Mr. NEEDHAM:

For a copy of all letters, correspondence and other documents respecting the trial in Livelong, in connection with the removal of the post office from Mr. Hicks store in Livelong, Saskatchewan. Also a statement showing the cost to the government of the said trial.

HUME, SASK., POSTMASTERSHIP

Mr. DOUGLAS:

For a copy of all correspondence and other documents dated during the past six months, in connection with the requested resignation of R. E. Juby, postmaster at Hume, Saskatchewan.

FRENCH VILLAGE, N.S., GOVERNMENT WHARF

Mr. MASSEY (for Mr. Brooks):

For a copy of all payrolls showing money expended and to whom it was paid, on certain repairs made by the Department of Public Works to the government wharf at French Village, county of Halifax, Nova Scotia, during the year 1936.

DEPARTMENT OF AGRICULTURE—DISMISSAL OF EMPLOYEES

Mr. MacNEIL:

For a copy of all memoranda, telegrams, correspondence, charges, evidence and other documents, from January 1, 1936, to date, in the possession of the Department of Agriculture or the office of the Prime Minister, relating to the dismissal of the following: Edward E. Jay, district seed potato inspector, botany division, Charlottetown, Prince Edward Island; Edward Cairns, seed potato inspector, Prince Edward Island; Edward P. Donnelly, fruit and vegetable inspector, Prince Edward Island; Charles McLeod, fruit and vegetable inspector, Prince Edward Island. Also a statement showing the dates of appointment and dismissal and reasons assigned for dismissal in each case, along with all information received by the department which resulted in such dismissals and the name or names of the person or persons who assumed responsibility for such information.

Also a copy of any orders in council or regulations authorizing dismissal of members of the public service without investigation upon allegations of any person that such member of the said service has been guilty of active partisanship.

PRIVILEGE—Mr. GARIEPY

Mr. WILFRID GARIEPY (Three Rivers): There is an important matter which I would like to call to the attention of the government. In the city of Three Rivers, represented in the local house by the premier and attorney general of Quebec, there took place the night before last a large gathering in the form of a banquet at which the attorney general made certain charges which I find

reported in the daily papers, particularly verbatim in Le Devoir of January 26, that is, yesterday. It states that in the province of Quebec—

Some hon. MEMBERS: Order.

Mr. SPEAKER: I do not think the hon. member has any right to bring this question before the house at this stage. The orders of the day have not been called.

Mr. GARIEPY: According to the clerk, Mr. Speaker, we shall not reach the orders of the day to-day. I understand that this is the proper time—

Some hon. MEMBERS: No.

Mr. GARIEPY: In the speech in question an important charge is made against the government, a charge which I think calls for immediate attention.

Mr. SPEAKER: The hon. member is out of order at this stage.

WORLD PEACE

PROPOSAL THAT CANADA SUGGEST TO THE UNITED STATES THE CONVENING OF A WORLD PEACE CONFERENCE

Mr. A. A. HEAPS (Winnipeg North) moved:

Whereas the nations of the world are faced with a most alarming situation which may result in a disastrous war;

And whereas, the League of Nations up to the present has not succeeded in establishing conditions conducive to a permanent and lasting peace;

And whereas, Canada on the American continent is an integral part of the British Empire and a neighbour to the American republic,

Therefore be it resolved,—That, in the opinion of this house, the government of Canada respectfully suggest to the President of the United States the desirability of convening a world conference for the securing and maintenance of peace.

He said: I think it will be within the recollection of most hon. members that in years gone by, when I have moved resolutions on private members' days, I have usually introduced resolutions dealing with what might be called purely Canadian problems. On this occasion, however, I am of opinion that the question of peace is of greater importance than the questions I have raised in previous years with respect to unemployment insurance and even old age pensions, and it is for that reason I am to-day introducing the resolution which has just been read.

In some respects this resolution is correlated with the one moved by the hon. member for Winnipeg North Centre (Mr. Woodsworth) on Monday last. Some ground which he covered on that occasion I may also traverse to-day, but I shall do so briefly. It will be observed from the terms of the resolution that it may be divided into three parts. The first refers to the imminence or danger of war; the second refers to the League of Nations, and the third deals with a proposed request by our government to the president of the United States to consider the convening of a world peace conference.

To-day the danger of war is recognized on all sides, and this has resulted in nations arming themselves as they have never done before. The tremendous burden of armaments has become a strain financially upon all nations, and not even the most sanguine among us would claim that an armed nation or a group of armed nations is any security for peace. In fact, the very reverse is more likely to be true; for if huge armies equipped with the most modern death-dealing implements of war were any guarantee of peace, then the world to-day should be in a more peaceful state than has ever been known in history. Of course, that is not so. It is time, I believe, that in the interests of peace a halt was called to the huge armament race, which must ultimately result in a clash of arms on an unparalleled scale. The amassing of armaments creates a war psychology which makes it more difficult to maintain a peace atmosphere among the nations.

War settles no problems. History has taught us that practically all wars create new problems; and in addition to that we have to consider the cost of war in both the human and the material sense, with all the sacrifices that war entails. We seem to be willing to make all sorts of sacrifices to the gods of war, but hardly any in the cause of peace. In this country we seem also to have caught the fever for greater military preparations. It would have been a very highly commendable policy on the part of the government if, instead of greater preparations and greater appropriations being made for military purposes, even a small percentage of the sums appropriated for armaments had been set apart for the purpose of finding a peaceful solution of our international problems.

We take it for granted to-day that all nations must have ministers whose sole purpose it is to see to war preparations. In my opinion it would be a very fine gesture on our part if in addition to the ministry of defence we had a ministry of peace. If only five per cent of the amount spent on

war or warlike preparations were to be appropriated for such a purpose we should ultimately receive far greater benefits than can be derived from these expenditures on implements of war. War does not and never could appeal to the higher instincts of humanity. It appeals only to our baser instincts and engenders jealousies and hatreds that are difficult to eradicate for many generations. There is nothing that can be called ennobling or humanitarian in a mass slaughter of human beings. War is barbarian, and barbaric are its methods. If the world were again to engage in a mass slaughter of human beings, this would inevitably lead to chaos and what we commonly call a state of anarchy. War is a sign not of progress but of reaction, a brake on the wheels of progress. It has been claimed in some quarters that war and preparation for war are signs of regeneration of a people. In my opinion that is far from being the case. The resort to war is a sign not of regeneration but of degeneration; it is chosen only by those who have little regard for human life and no conception of what is just and right. In this day and generation we are in many respects living in the most advanced civilization the world has ever known. Must we say that in spite of the progress we have made in the arts and sciences and in culture we are helpless in regard to the preservation of peace? The whole world is crying for peace; yet we seem to be inevitably drifting toward war.

Although Canada is one of the smaller nations of the world, she has taken an important part in world affairs. Should we not, therefore, make our contribution toward creating an atmosphere of peace among the nations of the world? Should we not try to do something to banish the fear of war from our midst, and strive toward creating that much to be desired peace sentiment?

I have said that I would like to see Canada the first nation in the world to establish a ministry of peace, with sufficient funds allotted for that purpose. If such a ministry were established, I should like to see engraved over the entrance the words "Peace on earth, good will toward men." It is indeed ennobling to have these religious, historic and Christian words before us on one day in the year, but how much better would it be if we practised the principles underlying them 365 days in the year. To attain peace will entail a struggle, but is it not worth the effort? The nations of the world are looking for a lead from somewhere. Unfortunately the League of Nations has not been the success we would like it to have been. I know hindsight is usually better than foresight, but, without unduly criticizing what has been done by the league since its inception, one must come to the regrettable conclusion that it has not been the instrument for the settlement of international problems that we wished it to be and expected it would be. It did not deal firmly with the problems that confronted it; it did not grapple with those problems with real earnestness; sometimes it tried to evade them, hoping, Micawber-like, that something would turn up. Its gestures were often meaningless, and certainly lacked effectiveness. In spite of this, one must not condemn the principles underlying the league, but realize that there was lacking among its members that true spirit of cooperation which was necessary to make the league the powerful instrument so greatly needed to-day in world affairs.

A league of nations or some international body created for the purpose of considering and dealing with world problems must have behind it some effective means of making its judgment prevail. Those who are members of such a body must loyally abide by its decisions. The members cannot be a law unto themselves; they cannot be in the league when it suits them and out of the league when it suits them. Unfortunately Canada has also erred in this respect; there seems to be among some of our people a desire to be half in the league and half out. In an international body of this kind there can be no such thing as being half in and half out. We must be either in the league or out of it. As far as I am concerned I am wholeheartedly in favour of being in the league and giving full accord to its activities and recommendations.

Unfortunately during recent years this policy of halfhearted support of the league has been one of the main causes which have brought it to its present position. The covenant of the League of Nations has been flouted. There must be respect for international covenants, otherwise the respect for law disappears. During the last few years, with the disregard which has been shown by some nations for their international obligations, the law of the jungle has prevailed, driving the weak to the wall and resulting in the survival of the strong and ruthless. Might has become right. This spirit in international and human relations must change, and the law of the jungle give way to the rule of law. Smaller or weaker

nations must in the league feel a sense of security, and fear of coercion by stronger nations must be banished.

It was hoped that the League of Nations would achieve this object, but unfortunately such has not been the case. One has but to go back a few years to the wanton invasion of Manchuria by Japan. While Japan was censured by the league, she is to-day to all intents and purposes in full control of that portion of Chinese territory. Then there was the Ethiopian affair, and although Italy was censured by the league, and a halfhearted form of sanctions applied, Italy to-day is in control of Ethiopia. I could also refer to the ineffectiveness of the league in connection with the Spanish situation. A non-intervention body was also created, but the terms of the covenant were not lived up to by many of the signatories. I would point out further that Spain was a member of the League of Nations and as such had a right to expect some support from the league in the unfortunate situation in which she finds herself at the present time. Had the stronger nations of the world given a more powerful lead when it was required it is quite probable that to-day Japan would not be in Manchuria or Italy in Ethiopia, and I am quite satisfied that the nations which are responsible for prolonging the civil war in Spain would have kept out of Spain, and the Spanish situation might have adjusted itself much more easily than is possible now.

In respect to Ethiopia I might refer in passing to the book mentioned in this chamber on Monday last by the hon. member for Weyburn (Mr. Douglas), and written by Marshal de Bono who commanded the Italian troops at the beginning of the campaign, wherein he stated that had Great Britain shown a firm hand at the outbreak of hostilities it is quite likely that Italy would have been compelled to call off her campaign. I do not believe it would have been necessary for any country to go so far as the use of force to compel either Japan or Italy to desist from aggression. Economic sanctions effectively applied would, in these days of world interdependence, have been sufficient to bring both these countries to a realization of their responsibilities to the other peoples of the world, and of their obligation to adhere to the principles of the league, of which they were both members. It is because of such ineffectiveness that the league is to-day in a more or less moribund condition. The world has drifted into a state of chaos in international affairs, and the time has come when the parliaments of the world, no matter how they are constituted, should take cognizance of the situation and see if an effort cannot be made to prevent the catastrophe which possibly lies ahead of us.

I am suggesting in this motion that our government request the president of the United States to consider the advisability of convening a world peace conference. I know how simple it is for anyone to find fault with any suggestion that might be made along this line. The easiest thing in the world is destructive criticism, but if there is anyone who anxiously desires to secure world peace and knows some better method of attaining it than by convening a proper world conference in which all nations would or could participate, then I believe we should have those opinions expressed.

The United States is both respected and feared to-day by the other nations of the world. It is feared because of its great economic strength, consisting of huge financial and natural resources. On the other hand the United States has to a certain extent kept aloof from most European problems, and it is therefore in a peculiarly favourable position to convene a conference of the nations of the world, with the strong probability that no other country could afford to ignore a call of this kind. There is in the world no other country than the Dominion of Canada that could make such a suggestion to the president of the United States with more confidence of a favourable reply. There is no need for me to refer to the good relations which have existed between the United States and Canada over the years, because that is self-evident. We are part of the American continent, and at the same time an integral part of the British Empire. There are few, if any, members of this house who wish to secede from the British Empire, and we could not withdraw from the American continent even if we would. That is the unusual position we stand in to-day—part of the new world and yet at the same time part of the old.

Our message to the old world is: Cannot some way be found whereby these rivalries, jealousies, hatreds and bitternesses may be eliminated and a new start made in the relationships as between man and man and nation and nation? In many respects we in this country are following, in our national and international policies, along identical lines with the United States. In our trade relations we have tried to make trade agreements with other nations in all parts of the world, just as the United States has done.

The foreign and domestic policies of these two countries are in many respects identical. In the United States they are doing away to a certain extent with their tariff walls, and we are reducing our tariff walls in the hope of trading with all nations. The old idea which was so prevalent in this country and in the United States in years gone by that trade was in itself a form of warfare is now perhaps being discarded. I believe that trade, instead of being looked upon as a form of warfare between nation and nation, should really be the cement which binds nation and nation together. I am one of those who believe that there should be the freest possible flow in commerce, of surplus commodities, between the various nations of the world, and that reason in itself is one of a number that I shall give in support of my contention that we are in a favourable position to make to the president of the United States the request suggested in my motion.

I would also recall to the house the rather significant statement that was made here by the Minister of Justice (Mr. Lapointe) on Monday last. The hon. member for Grey-Bruce, (Miss Macphail) had referred to our absence from the pan-American conference which was held last December, and the Minister of Justice gave, as a very good reason for our absence, the information that we were not invited to be present. I cannot say positively that if we had received an invitation the government would have accepted it, but perhaps I may read that meaning into the minister's statement, and if I am wrong I hope he will excuse me. At all events, he said the reason we were not there was that we had not been invited, and possibly one of the reasons why we have not had an all-embracing international conference with respect to world peace is that the president of the United States has not yet been invited to call such a conference. If I may carry the suggestion of the Minister of Justice a step further, possibly if an invitation were extended by the Dominion of Canada through its government to the president of the United States to convene a world peace conference, he might consider a suggestion of that kind in a favourable light.

I know some of my hon. friends may object to action of that kind because it might appear to some that we were drifting away from our allegiance to Great Britain and the empire and showing a strong allegiance to the United States. Personally I do not attach very much weight to such an objection. The question of peace is of such vast importance to ourselves and to all nations of the world that I do not think we ought to stand on any technicalities as to who is going to convene a world peace conference, so long as we have such a conference called under such auspices that we may hope for the most effective results.

Answering those who may object to one country asking another to take certain action along a certain line, I would quote a paragraph or two from a book called International Security, written by Phillip C. Jessup, associate professor of international law at Columbia university. Referring to the instigation of the Kellogg-Briand peace pact, this writer makes this rather significant statement:

> It will be recalled that the negotiation of the pact began with M. Briand's offer of April 6, 1927. This was a suggestion, not devoid of inspiration from a private American source, for a treaty between France and the United States.

While we have been under the impression that that treaty was really one of French inspiration, in the book written by Mr. Jessup, who I believe is a student of international affairs and in close touch with the situation, it is clearly brought out that the original inspiration for the Briand peace pact came from the United States. That was done in a private way. What I am asking in this motion is that we should do in an open way what the United States did privately just about ten years ago.

I realize full well, along with the other members of this house, how strong the feeling is in the United States that they must have nothing whatever to do with European problems. I realize, too, that there is a strong feeling of a similar kind here in Canada. The people on this continent feel that we are so far removed from the source of European conflicts that we should remain neutral, and disregard what is taking place in Europe.

In the changed world in which we live neutrality has become a difficult problem. In that respect I have a good deal of sympathy with the position outlined in this chamber on Monday last by the Prime Minister (Mr. Mackenzie King). I realize the difficulty which may arise at some future time in defining the meaning of neutrality. It would be almost impossible at the present time to define what neutrality might be in the event of a war in Europe. Neutrality, like justice and morality, changes under changing conditions. If Great Britain were to become involved in a European war, I doubt if Can-

ada would or even could remain neutral. That is an opinion with which some of my hon. friends may disagree. I am well aware of the strong feelings existing in many parts of Canada against this country's participation in a European war. If war should break out, would we, for instance, refuse to supply Great Britain with the every-day essential needs of life? On the other hand, would not such supplies be regarded by an enemy state as goods delivered in violation of strict neutrality.

In a time of war would not each nation make its own definition of neutrality in the same way as Great Britain has done in the present Spanish crisis. I do not wish to dwell too long on this aspect of the subject; I have emphasized it only to point out that it would be far better to avoid such difficulties. My humble opinion is that the most effective way would be by securing and maintaining a lasting peace. Metaphorically speaking, the world is becoming a smaller unit. Space and distance which at one time kept nations far apart no longer operate. That which a generation ago was termed a long distance is regarded now as only a very short journey. We turn the switch of a radio and the voice of man can be heard instantaneously around the world. Because of these vast changes isolation becomes increasingly difficult; distance and space no longer isolate us.

It will be remembered that when, during the great war, the late President Wilson ran for election to the office of President of the United States, it was with the idea of keeping the United States out of the war. He received an overwhelming mandate, but within a short time the United States entered the war—the very thing he was pledged not to permit. Further, he had behind him the wholehearted support of the American people. We on the American continents can pride ourselves on the fact that we are free of many of the prejudices and difficulties which confront the people of the old world. We congratulate ourselves upon the fact that we live in peace and in a spirit of friendship with other nations. But as one cannot isolate war, neither can one isolate peace. It is because of this conviction that I am so anxious for the new world to give a lead to the old, and to try to secure peace among the nations.

When a great crisis overtakes us we are not always moved by logic; more often we are moved by our emotions. Who knows what the position of Canada, yes, and even that of the United States, would be in the event of another war breaking out in Europe? One cannot be unmindful of the great forces which have been at work in past years attempting to create peace sentiment throughout the world. Somehow or another they have not been able to overcome other influences which unfortunately have been more powerful than the influences for peace. I fully realize the lack of success which has attended many of the efforts of the peace organizations and conferences which have been called for peace purposes. There are some who may object to the calling of another conference; they may urge that under existing circumstances this would be futile. Yet may I point out that at the conclusion of another war in Europe there would still have to be a conference among the belligerent nations seeking to call a truce and to arrange another peace. Is it not far better and more sensible to attempt to hold another conference before a war takes place than to have a forced conference after such war has ended. That being so, which nation or individual is most likely to be able to call a world conference, with a hope of success. I can think only of the United States, with the president of that country convening such a world conference.

I realize the republic to the south of us has a strong feeling against taking a hand in European affairs. To a large extent we in this country share that feeling, but I believe the earnest desire and sentiment for peace on the American continent, and the realization of the advantages and blessings peace might bring about should outweigh any feelings such as I have described. We cannot confine peace to the American continent any more than we can confine war to Europe. As I have stated previously, peace, like war, cannot be isolated.

At this point I cannot help referring to the laudable efforts which have been made by the president of the United States to secure peace on the American continents. His recent visit to the South American republics was in itself a glowing demonstration of the attitude of the president and people of the United States, and of their desire to live together in a spirit of harmony, good will and common understanding. Irrespective of the attitudes of governments, I believe among the masses of the peoples in other parts of the world there is the same desire to live in a spirit of common understanding and mutual tolerance. I believe it would not be out of place at this time briefly to quote some of the statements made by the president of the United States on the occasion of his visit to the pan-American Peace conference at Buenos Aires, indicating his attitude toward world peace.

On November 28 last, speaking at Rio de Janeiro, among other things the president made the following statement:

The friendly nations of the Americas can render no greater service to civilization itself than by maintaining both domestic and international peace and by freeing themselves forever from conflict.

All of us have learned that no real, no lasting prosperity can exist where it is secured at the expense of our neighbours—that among nations, as in our domestic relations, the principle of interdependence is paramount.

No nation can live entirely to itself. Each one of us has learned the glories of independence. Let each one of us learn the glories of interdependence. Economically, we supply each other's needs; intellectually we maintain a constant, a growing exchange of culture, of science and of thought; spiritually, the life of each can well enrich the life of all.

Any step which serves to ensure permanence of peace in any part of the world is a contribution to the peace of the world. Cooperative effort towards this end cannot be too widely extended. Peace, like justice, has become the common concern of mankind. Civilization is a common inheritance, and a common possession. It can only be maintained by common endeavour.

I think all hon. members who have listened to those words will realize the strong desire that exists in the mind of the president of the United States for the security of world peace.

Mr. MACKENZIE KING: Is my hon. friend quoting the president of the United States?

Mr. HEAPS: Yes.

Mr. MACKENZIE KING: I think that is what I said.

Mr. JACOBS: Great minds move in the same direction.

Mr. MACKENZIE KING: I think my hon. friend will find he is quoting from a statement I gave out at the time.

Mr. HEAPS: That may be the case, but I think it is a pretty good statement to make and I hope the Prime Minister (Mr. Mackenzie King) will live up to it by supporting the resolution I have just submitted to the house. However, I should like to quote from what the president of the United States did say at Buenos Aires. I think the statement of the Prime Minister and that of the President are on a par. I am fully in accord with what the Prime Minister said and I hope I have done him no injustice by crediting his remarks to the president of the United States. This is the statement made by the president of the United States on December 1:

But we cannot now, especially in view of our common purpose, accept any defeatist attitude. We have learned by hard experience that peace is not to be had for the mere asking, that peace, like other great privileges, can be obtained only by hard painstaking efforts. We are here to dedicate ourselves and our countries to that work.

You who assembled to-day carry with you in your deliberations the hopes of millions of human beings in other less fortunate lands. Beyond the ocean we see continents rent asunder by old hatreds and new fanaticism. We hear the demand that injustice and inequality be corrected by resorting to the sword and not by resorting to reason and peaceful justice. We hear the cry that new markets can be achieved only through conquest. We read that the sanctity of treaties between nations is disregarded.

In either case, even though the Americans become involved in no war, we must suffer too. The madness of a great war in other parts of the world would affect us and threaten our good in a hundred ways. And the economic collapse of any nation or nations must of necessity harm our prosperity.

Can we, the republics of the new world, help the old world to avert the catastrophe which impends? Yes, I am confident that we can.

In the face of this expressed declaration by the president of the United States—also by the Prime Minister of Canada—and the detached position which the United States has maintained during recent years, its aloofness in many respects from the strife of the older world, I feel there is no one more competent to convene a world conference than the president of the United States. I know there are some, even in this chamber, who will claim that we have had many conferences which have proven unsuccessful. In answer to that, I would point out that such conferences have been limited in their scope and have not been as all embracing as the one I am suggesting. My further opinion is that we cannot get the nations of the world together too often to discuss problems face to face. Ultimately such closer contact is bound to have beneficial results, even though in the beginning they may be rather slow and disappointing and devoid of immediate benefits. A frank discussion of differences is better than no discussion at all. In a world so torn by strife and jealousies as is this one to-day, we cannot expect to make progress in this direction too rapidly. But we can keep on persevering in the hope that some day those people who are indifferent to peace problems will adopt a more decided attitude in that direction.

The objection may be raised that we as an integral part of the British Empire and as a member of the League of Nations ought not to forsake these existing allegiances. I would point out that we are not forsaking either the League of Nations or Great Britain when

we request a neighbouring state to intervene in the cause of peace. Is that not the real purpose of the league? The object to be reached is of far greater consequence than a technical objection of this kind. It is generally admitted that the League of Nations has failed. It is admitted also that the policy which Great Britain has adopted during the past few years has also been void of success. The policy of Great Britain seems still to follow the antiquated lines of years gone by. Eighty years ago Lord Palmerston, then Prime Minister of Great Britain, aptly described this policy in the following words, "Great Britain has no eternal friends, no eternal enmities, but only eternal interests." In a modern world diplomacy of this sort cannot possibly succeed. We have to stand by that which we consider right and just, irrespective of what interests may be involved.

The United States has made many significant gestures toward establishing and maintaining peaceful relations with other nations. In spite of the fact that there is such a strong sentiment opposed to intervening in old world affairs, we must bear in mind that even during past years the United States has taken an active part in European and international problems. I might point out that the Dawes plan came from the United States. The Young plan for reparations also came from the United States, and more important than either of these was the Kellogg-Briand peace pact. Although that pact has not proven successful in outlawing war as a means of settling international disputes, it certainly was a worthwhile effort. This is the tenth year of its inception, and it might be an appropriate time for the nations of the world again to gather together under the auspices of the nation responsible for its origin to see if another step cannot be taken to do away with war as a means of settling international problems.

Mr. SPEAKER: I am sorry, but the hon. member's time has elapsed.

Mr. HEAPS: I am sorry if I have exceeded my time limit. The courtesy of additional time has often been given to other members and I had hoped you, sir, would do unto me just as you have done unto others.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, after the quotations which the hon. member for Winnipeg North (Mr. Heaps) has made from remarks of the president and of myself, and referred to by him with such approval, it will I think be clear at the outset that, so far as the president and I are concerned, our views as to the desirability of maintaining peace, and doing all that it may be possible to have done toward that end, are wholly in accord with his own. I have referred to only three personages, but I believe what I have just said would apply with equal truth to all hon. members of all parties in this parliament.

I sometimes think that we waste time when we endeavour to have it appear that any government of Canada, let alone members of parliament, are not desirous of doing everything possible to secure, to maintain and to further peace. That unquestionably is one of the objectives which we all have in common. We cannot all agree as to the methods by which peace can be best maintained, but the fact that we cannot accept every suggestion made as to what is desirable for the maintenance of peace does not and should not imply that we are not equally at one in desiring the great objective of securing, maintaining and furthering peace. In this regard I want to take exception to the view which so frequently has been put forward, and which was put forward by my hon. friend to-day, that any preparation in the nature of defence necessarily implies some love of war and desire to get into war on the part of those taking that necessary precaution. Nothing can be more fallacious than that; and, with the world condition as critical as it is to-day, I must respectfully say I do not think any member renders a useful service to his country when he seeks to create a false impression with respect to the purpose which defence is intended to serve. What is needed to-day on the part of the citizens of this country, as of all countries, is an understanding of the very serious nature of the world situation and of the very critical position in which this country along with all other countries may be placed at any moment. My hon. friend never said anything truer in his life than when he remarked that you can no more isolate war than you can isolate peace, and when this afternoon he stressed that there was a real danger of the situation which is critical in Europe extending to this country. I think we all have to keep that in mind. With what my hon. friend has said about the hideousness of war and about the folly of war as a means of settling anything I think every hon. member will agree. But, Mr. Speaker, when it comes to the question of realizing that war is so horrible and yet, as my hon. friend has said, with the world situation what it is, war may be inevitable, we only see the necessity of taking some special precaution so far as our own country is concerned to meet that situation.

May I suggest to my hon. friend and to others who feel as he does about this matter a parallel which may help to bring home the true situation? None of us has any love of disease, none of us has any love of plague, yet disease and plagues are part of a condition that is real in the world and against which steps have to be taken by nations as well as individuals. Would my hon. friend suggest that we should do away with our Department of Health and with the measures we are taking, and which are costing a great deal, to prevent the spread of disease, to prevent plague from over-running the country? Money spent for purposes of that kind is spent for purposes of security, and it is exactly the same, if the expense is wisely made, with regard to necessary outlays for defence. May I suggest another parallel which, it seems to me, is very pertinent at the moment? We have all been witnessing with feelings of the deepest sympathy the tragedy to hundreds of thousands of lives in the United States as a result of floods. Those of us who happened to be listening last night to the radio heard instructions being given by engineers as to precautions which must be immediately taken in view of what may possibly be a still greater disaster, once the Mississippi begins to overflow its banks to a greater extent than it has up to the present. Would any one say that, with a warning of that kind coming from experts, the people along the shores of the Mississippi should do nothing? Rather should they not say, "Now is the time for the state to take immediate action to prevent some terrible harm coming to innocent persons as the result of a force of nature the possible extent of which had not been foreseen but which nevertheless is now known to be real and is approaching daily in a more menacing form"? After what my hon. friend has said this afternoon he cannot deny that there are forces at work in the world to-day which are dangerous in the extreme, and he cannot deny that those forces may operate against the shores of this country, or across this country, once a world conflict comes about, should such an appalling thing happen. In those circumstances, Mr. Speaker, I say that instead of trying to persuade this house or persons beyond this house that this country should not take special measures for purposes of defence, my hon. friend should be doing all in his power to show wherein, unless we take precautionary measures, we are likely to suffer in a way from which we may never recover.

I think also there is something extraordinarily contradictory in what my hon. friend said this afternoon when he spoke about the League of Nations. He and those of his group who advocate that we should be members of the League of Nations say that the league must have force behind it if it is going to effect its ends. What does that mean? It is an expression we hear from different sources. I think the hon. member (Mr. Douglas) who sits behind my hon. friend used the expression the other day that he wanted "a league that had teeth in it," a league that would be able to do something. What does that mean? It means force. And yet many in my hon. friend's group, including the member to whom I referred, take the view that Canada should be neutral no matter who the belligerents may be. That is all very well; they would have a league that relies on force, but they are quite eager to see that other nations are the ones to supply the force and that we are to continue to enjoy security and to be kept entirely out of the situation.

Mr. DOUGLAS: Would there not be economic force.

Mr. MACKENZIE KING: Economic force! We have had enough experience to know that economic force sooner or later means military force. We had an object lesson of that last year. May I say to my hon. friend who has just interrupted me that if he and I could control world forces there might not be trouble for anybody, because we know exactly what we would do; but surely we must all realize that forces which are not only beyond the control of individuals, but beyond the control of nations and of continents, are operating in the world to-day. The condition in Europe is not the result of a desire for war on the part of any English speaking community. It is not the result of any such desire on the part of the French republic or on the part of many other nations that I could mention. We have yet to discover that it is the desire of any nation. But the danger is there and we know that we are facing it. In those circumstances let us not begin to tell other countries what they should do until we tell them what we ourselves are prepared to do in helping to meet the emergency. When it comes to the League of Nations and its reliance upon force as the means of attaining its ends, we get right into the very situation from which my hon. friend who has moved this resolution would like to take us away altogether. Force begets force. If we are to rely for peace upon force, let us squarely face the situation and realize that we as well as other nations must be prepared to make our contribution in terms of force.

But, Mr. Speaker, I do not want to enter to-day into a discussion of League of Nations affairs, nor do I wish to go over ground that was traversed in a previous debate. My purpose in rising this afternoon thus early in the debate is simply to point out that the specific suggestion which is made in my hon. friend's resolution constitutes the one thing about it which the government is called upon to consider. The substantive portion of the resolution reads:

> That, in the opinion of this house, the government of Canada respectfully suggest to the president of the United States the desirability of convening a world conference for the securing and maintenance of peace.

In other words, this country is to suggest to the United States the calling of a world conference to secure and maintain peace. Now, irrespective altogether of what views we may entertain as to the effectiveness of a world conference to achieve the end in view, it must be apparent that there are great considerations of national policy that must be taken into account by any country that would enter at this time upon the calling of a world conference for such a purpose, and those considerations, it seems to me, are a matter for consideration by that country alone. It is not the business of one country to tell another what its policy should be. I think that must be apparent. It is inconceivable that the president of the United States, with the interest he has taken in world affairs, with the concern he has already shown for the maintenance of peace, has not had under his own consideration and that of his colleagues the very question my hon. friend has suggested. But whether he has or has not, that is his own affair. For us to suggest that a conference should be called would be simply to embarrass the president in the reply which it would be necessary for him to make. At most he could say that the subject was one to which he would be glad to give consideration. I am not sure that if he were considering the matter favourably a suggestion to the United States from another country would help him to attain the object he had in view.

Let me say a word with regard to world conferences. I am not sure that a world conference would achieve any good end at the present time and it might make things a great deal worse. It seems to me, our generation has gone a little mad on the question of conferences. A conference is often a very convenient way of appearing to be doing something while in reality very little may be achieved. The more I see of conferences the less patience I am coming to have with them. Certainly world conferences are not likely to be very successful in achieving the object they may be called together to attain. We have had several world conferences and I do not believe that any of them have been very successful.

But in a consideration of the calling of a world conference there are many important matters of policy which a government would have to take into account, and I mention these because they are involved in the question whether this country should ask the United States to take the step proposed. There is the matter I have already referred to, namely, the question whether in the belief of the government a world conference is likely to achieve the end for which it is called, or whether that end could not better be achieved by conferences with individual nations, taking up questions with individual nations or groups of nations primarily concerned in the matters under discussion, rather than by bringing into a discussion a large number of nations which can have only an indirect interest and whose participation might only serve to embarrass the entire situation.

But there is the further point as to whether the time is ripe for a world conference such as has been suggested. There is for example the question as to whether other nations would be prepared to go into such a world conference. That is an all important matter, and before any country would take a step as momentous as that of calling a world conference, I should think it would find it necessary to ascertain from other countries whether they would be willing to participate. If a world conference were likely to meet the end my hon. friend has in view I should be inclined to think that the League of Nations might be expected to operate more effectively to that end than some new conference which might be called, for the simple reason that the league has at hand much of the machinery necessary for such a purpose. It has already given long attention to matters that are pertinent, and if the league has found it impossible, with all its background and with all that it has in the way of actual knowledge of conditions, with experts to advise in a multitude of directions, then I question very much whether the president of the United States, beginning anew, would be able to accomplish much in the direction desired. If Germany, Japan and other countries do not wish to be in a league of nations which represents all the countries of the world, is it probable that they would immediately participate in a conference called by the president of the United States. And unless they participated in such a conference, does my hon.

friend believe that the conference would meet the present-day situation? One has only to mention these things to appreciate some of the considerations which a country must take into account in dealing with a suggestion of this sort.

I would like to mention to the house what actually was apparent to the minds of those who were at the meeting of the League of Nations last year. There the view seemed to be that the fewer the nations that got into discussions of the present world situation at that moment the better it would probably be in the end, so far as the solution of existing difficulties was concerned. What the British and the French representatives at the League of Nations were most anxious to bring about was a conference of the big powers in Europe, the powers immediately concerned. They felt that if Germany, Italy, France, Britain and Belgium could get together in a round table conference it might be possible to work out some solution of the existing difficulties. Great Britain has been working to that end for a year or more, but she has not yet succeeded in bringing those nations together in round table conference. When that is the fact, is it likely that these same powers would go into a world conference that might be called by the president of the United States? These are considerations of which a government has to take account before it accepts the responsibility of extending an invitation to another country to take action with respect to world affairs, consideration of which would have to be taken as well by the government to which the invitation was extended.

I am sympathetic with much my hon. friend has said, but his motion asks that an invitation be extended. It would have to be extended by the government of Canada. Were we to take this course suggested, I believe we would be departing from a principle which cannot be too closely observed, the principle, namely, that it is not in the interest of nations that any one country should tell other nations what they should do in matters involving great questions of national policy. An act of that kind on the part of this government would be certain to be construed as an interference in the domestic affairs of the United States, and I am sure that my hon. friend would be the last who would wish to have such an impression created.

An answer that might suggest itself to the minds of some in the United States who might be opposed would probably be that as an imperial conference is to be held in Britain within the next few months it might be well for Canada to suggest that the scope of the conference be enlarged to embrace a world gathering to deal with the world situation. Does any one suppose that if a suggestion of this kind came to this parliament we should think of passing it on to the British government? The sooner we realize that there is no panacea for world peace, and that perhaps the last of all panaceas is a world conference, the better it will be in the end for the peace of the world.

Miss AGNES C. MACPHAIL (Grey-Bruce): I am glad that the hon. member for Winnipeg North (Mr. Heaps) placed this resolution on the order paper, if for no other reason than that the Prime Minister (Mr. Mackenzie King) has admitted that he has lost his confidence in conferences. So far as I can recall, in the last half-dozen or possibly ten years he has had a great deal of confidence in conferences—I am speaking of conferences with respect to national affairs—and has always been able to delay action by painting a gloomy picture of what would happen if anything were done without a conference. I was wondering who it was to whom he was directing the first part of his speech. It was a tirade, but I did not know against whom he directed it. The hon. member for Winnipeg North certainly had not said anything that would call for the first part of the Prime Minister's speech, and therefore it must have been somebody else he had in mind when he made the remarks he did. I do not think that suggesting to the United States that they call a conference would be interfering in their national affairs, any more than I think that if they had extended an invitation to Canada to attend the Buenos Aires conference that would have been interfering in Canada's national affairs.

A world conference as proposed by the hon. member for Winnipeg North would have one great merit; it would take the heads of the nations of Europe out of Europe and bring them to a continent which is in some degree sane. One fault with all the world conferences is that they were held in the wrong place. We should stop having conferences about world affairs in Europe. Europe has played much too large a part in determining world affairs, and if the heads of the European powers had to travel across the ocean as often as they want other people to travel across it to attend their conferences they might realize how wide that ocean is, which would be one thing gained. If the conference were called it might not accomplish much, but merely bringing the European leaders out of Europe might do some good. Then there

is always the chance of the boat sinking, and that might help more than anything else. It would be a nice quiet way of getting rid of a lot of trouble. Certainly extending an imperial conference to include world powers would not start a world conference off well, because it would be too much an imperial affair from the beginning.

At least the introduction of this resolution cannot have done any harm. The speech made by the hon. member for Winnipeg North was good, and was beneficial to the house. The debate at any rate will suggest the idea to President Roosevelt, even though he may not care to act on it.

Right Hon. R. B. BENNETT (Leader of the Opposition): It is not often that I wholly agree with the observations of the Prime Minister (Mr. Mackenzie King), but in this instance he so nearly expressed my own views that I shall make my observations exceedingly brief.

It would not only be futile to suggest to the United States the calling of a world conference, but in my judgment it would be —I shall use the harsher word, although the Prime Minister did not—impertinent to do so. I cannot think it would be anything short of that for the Dominion of Canada to suggest to the president of the United States what he should do. He has advisers; he has knowledge of world conditions; he is as deeply concerned in every matter with which this resolution deals as we are, and for eleven million people on the northern half of the American continent to suggest to the head of a state of one hundred and twenty million people that he should do something affecting world problems is in my judgment little short of impertinence.

As far as the next question is concerned I can only say that I would hardly agree with the mover of this resolution (Mr. Heaps) that the United States is at this moment exactly the country to call such a conference. The United States at the present time is spending larger sums on armaments, has to that end made commitments of more hundreds of millions of dollars, than ever before in its long history, and that notwithstanding the Kellogg-Briand pact. This is a fact which must be faced.

I can readily understand my right hon. friend making the observations he did with respect to conferences. He, like myself, had very great hopes of the Kellogg-Briand pact, but we know it was a broken reed—let us face it frankly. We all had hopes of the League of Nations. It failed because the United States ceased to be a member of it, although its former president called the first assembly. There never was an effective league of nations when the United States ceased to be a party to it. This is the real fact; let us face it squarely.

Then there is one other matter to which attention should be directed. When the right hon. gentleman was speaking about his faith in conferences he was only saying what is being said by statesmen in many parts of the world. I heard one of the most responsible British statesmen say that he felt it was useless for Great Britain to take part in further world conferences or conferences respecting matters such as are suggested should be dealt with by this resolution. I have not forgotten that a great world economic conference was called in 1933. I know one man, two men, three, who were urged by the president of the United States to expedite in every possible way the work of that conference, yet the conference had hardly met and organized before the president of the United States torpedoed it, for reasons which have never yet been made public. In his judgment conditions in the world were such that it was necessary for him to take the action he did.

I did not understand the right hon. gentleman to suggest that family conferences may not be of the greatest value. By family conferences we mean, in Canada, conferences between the provinces and the dominion, or conferences of the nations comprised in the British commonwealth of nations.

Mr. LAPOINTE (Quebec East): The disarmament conference was not a great success.

Mr BENNETT: I was going to mention that. The Washington conference on naval armaments did accomplish something, but who will say that the results were at all commensurate with our hopes and expectations? Then my friend the Minister of Justice mentioned the disarmament conference. This house knows, what he was good enough to suggest, that all the world was hopeful that all the world would proceed to disarm. But alas! see what the effect was upon the people of the little islands in the North sea that we call the British isles. Their idealism was such that under the then prime minister they endeavoured to give effect to it—indeed, did give effect to it, in a manner and to an extent unequalled by any people who ever attempted to give effect to a principle.

Mr. REID: And nearly ruined themselves.

Mr. BENNETT: Quite so; and to-day with feverish activity they are endeavouring to retrieve their position.

As the Prime Minister was thinking aloud this afternoon, Mr. Speaker, I think he was giving expression to views which many of us hold. We all desire to attain an end, and we would all willingly make any sacrifice we could to attain it. But alas! we realize that any efforts that have been made thus far to induce all mankind to follow a course to attain that end have been fraught with disappointment. Not that I do not firmly believe that they have served a useful purpose; for the mere fact that nations have met together and discussed their problems and gained an insight into one another's difficulties, has been of the utmost value to the world. But when an hon. member suggests that Europe after all is rather insignificant in matters of this kind, we must not forget that thus far the great nations of the world which have been effective in foreign matters have been those of Europe and Asia. America has a declared policy to play no part in what she calls entangling alliances with Europe. Her freedom from responsibility with respect to European affairs and her unwillingness to participate in world movements that have for their purpose the accomplishment of the ends to which this resolution refers have had an injurious effect upon the general state of public opinion with respect to the influence of the western world upon world problems. I say that reluctantly; nevertheless it is a fact and we may as well face it.

Is any good purpose to be served by suggesting that this government, which is the people of Canada, should advise the chief executive of one hundred and twenty million people that the proper thing for them to do is to call a world conference looking to the ends of peace, when they are engaged more feverishly than ever before in their history in arming themselves, and have on many occasions declared that they have no desire to involve themselves in either responsibility or concern with respect to direct participation in world affairs? I cannot but think that the mere suggestion itself carries its own refutation, and it would be regarded as little short of impertinence by any thoughtful people. I make these observations in no spirit of criticism of the people of the United States. It is their right to do as they please, and their president reflects their views. It would be impertinent for us to tell them how to run their business, and we would regard it as highly impertinent for them to tell us how to run ours. I think that with their good sense and their extreme concern for their own well-being they will discharge their duties and functions in a manner that will not be unworthy of their history and traditions. This country would not be advancing the cause of peace or its own interests by undertaking to tell other countries how they should conduct their business, especially when we have so much of our own to attend to, the proper conducting of which merits the united effort of all of us.

Mr. T. L. CHURCH (Broadview): Mr. Speaker, if the motion before the chair represents the best policy that the members of the Cooperative Commonwealth Federation can produce in this house, it amounts to nothing more or less than separatism. As I see it, the time has come when this house should look after our own domestic affairs and leave international affairs to experts, and we have very few of them in this house or out of it. Do the members of the party who introduced this resolution propose to have Canada become an adjunct of the United States in matters of foreign policy and defence? We see in this very resolution the extreme to which separatism has gone in this country since it was started a few years ago. Separatism in all its forms—that is what the motion amounts to. We, Mr. Speaker, are part and parcel of the British Empire; our foreign policy is largely defined by the motherland, yet this resolution ignores altogether the motherland and the other dominions and proposes to go to the United States looking for peace, when there is no such thing to be obtained from any league of nations. A few years ago it was Woodrow Wilson who started this League of Nations. We have now had seventeen years of peace pacts and peace agreements on four continents, and the net result of the policy of open diplomacy which Woodrow Wilson preached has been absolute failure.

This resolution, as I see it, would have us go to the United States and ask them to found a sort of new league of nations to create peace. As was said by a very great statesman, no one wants war, and in not dissimilar circumstances on the eve of the Crimean war, Stratford Canning wrote:

> The extreme desire for peace, if care be not taken, may bring on the danger of war.

And it did bring about the Crimean war. This resolution is not only separatism, but it is a pan-American resolution and ignores the fact that Canada is part and parcel of the British Empire. We have practically no defence policy of our own. I asked five or six times in this house last session what the defence policy of Canada was, and I got no answer

To-day we are dependent on the mother country for our defence on land and sea and in the air, and when resolutions such as this are introduced into parliament it is no wonder that some of the leading statesmen in the old land ask themselves if the dominions are not becoming a drag on the mother country. That is what they are becoming—a drag on the motherland.

Within the past few years we have had about a hundred peace pacts. We had a conference in Washington, and then we had the Kellogg pact, and while Secretary Kellogg was preaching peace from the housetops in one portion of the capital, the Secretary of State for War brought down a budget of several hundred million dollars for defence. That is the kind of peace policy they have over there. I say the principle of this resolution is separatism, and you can see to-day the results of separatism on the peace of the world. If we could have some respite from peace pacts for the next ten years we might possibly attain peace in the world.

In 1919 Canada signed the treaty of Versailles as a separate nation, and then a separate seat for Canada was demanded and secured at the Assembly of the League of Nations. In March, 1923, the Halibut treaty was signed at Washington by Canada as a separate nation. The imperial conference of 1923 affirmed the right of Canada to sign separate treaties. In 1924 Canada acted separately on the Dawes plan, and in that year Canada urged that the Colonial Laws Validity Act be repealed. In 1926 there was another imperial conference and the right was affirmed of each dominion to make separate and independent treaties not binding on any other country. We were given sovereign powers, and we saw the results in the Kellogg note. Separatism has gone far enough in this country. Some would abolish appeals to the privy council; others would abolish the office of lieutenant governor. Many innovations have been made during the last few years, with the result that we have nothing but a policy of separatism in this country, and this resolution, Mr. Speaker, practically says that Canada is a separate country from the mother country, like Spain or Ireland. We are bound to the mother country by ties of loyalty and affection. The governor general is also now merely a viceroy and removed from getting any advice from Downing Street.

Furthermore, the policy of the United States with regard to European affairs has already been laid down. It is against the constitution of the United States to take any part in European wars, and the senate foreign relations committee have control. The policy of their administration is non-intervention in European affairs, and if parliament passed a resolution such as this, she would simply make a laughing stock of herself in the eyes of the other dominions and of the mother country. Separatism in this country and in the other dominions is one of the things that makes it almost impossible for the motherland to have a foreign policy. As an eminent writer says in the English Review of August, 1936:

> One of the chief weaknesses of the empire to-day is the uncertainty as to the line it will take as a unit. A few years ago the prime minister of a European power said to me, "The difficulty of dealing with your country is that one never knows where the rest of your empire stands. The signature of the French Foreign Minister is binding on all the territory of France, at home and overseas; but the British Foreign Secretary cannot commit the dominions." That is perfectly true, and it is a truth that must be faced by those who greet every advance of the centrifugal forces as a step forward.

It was that state of affairs that was responsible for the Statute of Westminster. The same writer also says of South Africa, after mentioning that the representatives of the empire were not unanimous on sanctions:

> Whether the time has come to modify the statute is another matter, but in the meantime the line taken by South Africa with regard to sanctions is a warning to the government not to enter into commitments which may lead to a war in which the dominions might refuse to participate.

So we see where the policy of separatism has landed the empire.

I do not wish to speak with disrespect of the motion which the hon. member (Mr. Heaps) has introduced. No doubt he is sincere in the observations he has made. The present president of the United States has always been a friend of Canada, but for us to depend on the American people for our protection on land, on sea and in the air is another thing. I am utterly opposed to the doctrine of pan-Americanism, of which we hear so much talk in the house; I am opposed to a policy of separatism, or to one whereby we must depend on the Monroe doctrine, or any other mythical doctrine which would not affect the British Empire in time of war, or protect anyone.

There are people in Canada who believe in a policy by which we would be more closely connected with the United States. Great Britain stands before God to-day as the trustee for the peace of the world. We have more to expect from her than from any other nation. We have seen the results of peace pacts and disarmament. I say that disarmament has brought the mother country

to the very brink of war in the Mediterranean. As many statesmen have said in the British House of Commons, England to-day is no longer a first class power. The disarmament policy nearly dismembered and disrupted the whole empire.

There are some in Canada who believe in the policy enunciated in the resolution. The League of Nations has been a complete failure. When we realize the way it has functioned in the last few years we must know that we can expect nothing from it so far as the securing of peace is concerned. In my opinion Canada should get out of the league altogether while the going is good, if we wish to support this kind of endeavour. We have spent about $3,000,000 on it, and it brought us to the verge of war in connection with sanctions in Italy, its dealings with Spain, and its treatment of other crises.

In an able article entitled "Whither England," by Douglas Jerrold, appearing in the English Review of July 1936, he states:

> France we have driven deliberately out of the orbit of our diplomacy into the arms of Russia.

In the article Mr. Jerrold shows what peace conferences have amounted to. We have had about a hundred of them, and now another is proposed. Mr. Jerrold continues:

> Italy we have challenged, with results wholly disastrous. To Japan we have delivered moral lectures. The Norwegians, for so long our most sincere friends in Europe, we have deeply offended by our sanctionist policy. The United States see in our shameful diplomatic defeat not a quixotic gesture in favour of the sanctity of written obligations (the only written obligation which concerns America we have repudiated), but a justification of their own policy of non-intervention in Europe.

In a few months, owing to her policy of entering into peace pacts, England lost her position of a first-class power. The ink is hardly dry on these pacts before the bargains are broken by the very nations who were signatories to them. And other side agreements behind the scenes are made secretly, the results of which would offset the terms of the original pacts.

In view of the resolution before us we may well ask: whither Canada? If the policy outlined by the mover of the resolution is to be that of Canada, then the sooner we get out of the British Empire the better. It seems to me that those in church and state who hold the views of pacifists are, unwittingly or unwillingly, doing Canada a disservice. Pacifism means a refusal to defend or protect our king or country.

Pacifism means neglecting our duty to other countries dependent upon us, and, as I say, those who preach it are unknowingly doing their country a disservice. In the past few years we have seen the result of peace folly, and, as I see it, it is the duty of government to-day to bring down a proper defence policy for Canada. We talk about the few extra dollars provided in the estimates this year for a defence policy—why, that is no defence policy at all. We receive protection from the British fleet, which protects Canada's shores. The mover of the resolution would appeal to the United States, a country which could transport hardly a single soldier to France without the protection of the British fleet. Despite the non-intervention policy of the United States, in the late war what happened? That very country, upon which we are asked to depend, had to depend upon the British fleet during the whole war period for the defence of her shores, and yet we are asked to accept them as our protector in case of future trouble.

There are some in Canada who believe that in the event of war a general election should be called. The Prime Minister (Mr. Mackenzie King) indicated a few nights ago that within fifteen days parliament would be called, and that a resolution would have to be passed by the House of Commons before one soldier could be sent out of Canada. Did anyone ever hear of such a policy? No doubt the next war will be fought in the air, and before we can call parliament things will be happening. Within a few hours aeroplanes travelling two hundred and fifty miles an hour will be coming towards us. They would be in the country before a general election could be called, or before we could get the ballot boxes ready. The day will never come when Mr. General Election will become commander in chief of the British forces or admiral of the British fleet. Before we could act, the air fleet of the enemy would have passed over Canada and within five or six hours would have destroyed all municipal institutions, barracks, canals, railway terminals, public utilities and parliament buildings, and injured civilian non-combatants. After doing this they could return to their base within a few hours without damage to themselves.

For fifteen or sixteen years pacifists have had their way with peace pacts and peace folly. We now see the lack of wisdom in failure to evolve a defence policy. To-day Europe is an armed camp. Against whom is Germany arming? Is she arming against Great Britain? France is arming; Italy is arming—they are all in the same position.

We see evidence of an absolute failure of the policy preached from the housetops seventeen years ago by Mr. Woodrow Wilson; we see evidence of the utter folly of his recommendations. The house would be unwise to pass the resolution proposed by the hon. member. As a matter of fact, in view of the Statute of Westminster I believe the resolution is out of order. Moreover, it does not commend itself to the wisdom or judgment of the people of Canada.

Hon. C. H. CAHAN (St. Lawrence-St. George): Mr. Speaker, I rose before to say a few words of appreciation of the very excellent address delivered this afternoon by the Prime Minister (Mr. Mackenzie King), but my leader, the right hon. the leader of the opposition (Mr. Bennett) has expressed more felicitously than I could have done the views which I entertain.

May I add one word in regard to a suggestion made by the hon. member for Winnipeg North (Mr. Heaps) to the effect that Canada should enter the so-called pan-American conference and take part as a member in that conference. After living seven or eight years in Mexico I believe I know something about it, something about the central American states, something about the states of South America, something about Haiti, and something about Cuba, all of which I have visited, and I am convinced that one of the most unfortunate political manoeuvres which could be adopted by the government of Canada would be to enter as a participating member in any pan-American conference or union. We to the north of the United States have few interests in common with those states. By uniting with them in a union we would add nothing to our economic and very little to our intellectual or cultural strength. I am convinced that the idea suggested by the hon. member for Winnipeg North should be deprecated.

Mr. HEAPS: I do not think I said that we should join with them; I was just referring to some remarks of the Minister of Justice (Mr. Lapointe).

Mr. CAHAN: The record will show. I understood the hon. member to suggest to the Prime Minister that he had made answer on another occasion that Canada had not been invited to participate in that conference. I understood the hon. member for Winnipeg North to deprecate that statement being made, and to suggest that, if an invitation had been given, he would have been quite in favour of Canada accepting.

[Mr. Church.]

Mr. HEAPS: I do not say that I would have been favourable.

Mr. CAHAN: I do not wish to take up the time of the house, except to add that if there comes a time when Canada is invited to become a member of a pan-American union or association, I trust the Prime Minister will not accept any such membership or will not send any representatives to such a conference until parliament has had an opportunity to discuss the various phases of the matter. To-day a Canadian can go to Mexico, to Central America, to South America, even to Haiti or Santo Domingo or Cuba under a Canadian passport. He is received with respect in every one of these states. The people in those countries have no feeling that Canada is a hostile neighbour. They have no suspicion that Canada is attempting to assert suzerainty or sovereignty in any degree over their political policies or their political future.

I suggest with great deference that our entering into such a union would provoke difficulty and embarrassment for any government of Canada. I do not wish to go into the matter in too great detail, but I ask hon. members to look at the map of South America and study its geographical situation. The fact is that South America is further away from us than the European states. Mexico, Central America and the Pacific coast of South America were undoubtedly settled originally by aborigines who came from over the Pacific. There were great Indian races that settled in Mexico, Central and South America, such as it then was, they developed civilizations of their own. They never succeeded in migrating in great numbers across the Andes to the Atlantic coast. We find Indian tribes settling around the south in Patagonia; and the same migration taking place in the northern part of the South American continent, but the whole wide sweep of the Atlantic coast had practically no indigenous population and was left open to settlement by European immigrants.

The Spanish came to Uruguay, or rather into the district which subsequently became Uruguay, and they came into the states which were united into Argentina. There they developed a Spanish civilization and a Spanish culture with no large admixture of indigenous races or of Indian blood. In cities like Montevideo or Buenos Aires you find a Spanish civilization. The labouring classes are mostly Italian, but you realize you are among white people. When you talk to them you realize that they have a civilization and a culture which are most admirable. But the

situation is different in Brazil. The Portuguese settled that magnificent territory of theirs with negro slaves. They brought them in by the tens of thousands, and the present population is largely an ad-mixture of negro races, dominated by the Portuguese. To the north there is Venezuela. Any one who has been to Caracas will have seen an old-fashioned Spanish-American city. The dominating race is Spanish, but the great majority of the population is Indian. Colombia is a great Indian state. There is a Spanish civilization and culture in Bogota, the capital, but the population of that state is made up of Indian races. Bolivia and Paraguay are populated largely with Indian races, many of whom still live in a savage state. Peru is Indian, but Chili is not. The Spaniards who early settled in Chili wiped out the Indian races and the present population is almost pure Spanish. But there is not one democratic state among them all. They are ruled largely by military dictatorships which are changed from time to time by force of arms in times of insurrections. They look upon Canadian conditions with admiration.

If I may be permitted, I should like to relate an incident which occurred in Mexico some years ago. I knew President Diaz of Mexico quite well. One day he came out with me to see a great Canadian work that was being carried on in the valley of the Necaxa river. At that time we were building one of the largest dams in the world to develop a water fall eight times the height of Niagara. If I remember correctly, the drop in the pipes was 1,356 feet. After lunch President Diaz came out on to the verandah of a cottage on the mountain side smoking his cigarette. He laid his revolver down on a little square table in front of him just in case some trouble might arise. He looked with great astonishment at the trains running up and down the valley below carrying materials for this great dam and hydro-electro power installation. There were thousands of men at work throughout the valley. He expressed appreciation and admiration of the work. He turned to me and said, "Signor Cahan, I do like you Canadians." Rather taken aback, I asked, "Why, Your Excellency?" He puffed his cigarette for a moment or two and then he replied, "You Canadians live north of the forty-ninth parallel of latitude and we Mexicans live south of the Rio Grande. That fact alone should make for the eternal friendship of the two peoples." Thirty years ago that same feeling prevailed to my knowledge in many, if not all, of the states of Central and South America. Conditions have since undoubtedly changed as the United States have become more powerful, both economically and politically, yet despite repeated South American conferences I believe that feeling still exists in every state south of the Rio Grande.

Why should we enter hastily and without due consideration into that association of embroilment and, for us, continuous embarrassment? I trust that before this or any other government of Canada enters into the pan-American union, it will take all existing conditions into consideration and will remember that by the members of that union the Canadian government and the Canadian people are now respected and esteemed; participating in that union they would simply become embroiled in strife and difficulty. I wished to say this in reply to my hon. friend because I have heard much of late on some public platforms and read in the public press suggestions that it is the duty of Canada to assume, what the Americans are trying to escape, a sort of supervision over the political affairs of some of the so-called Latin-American states, which are not Latin, and which are American simply because that name has been given not only to North America and Central America but also to the continent of South America.

Mr. P. J. ROWE (Athabaska): I believe it was the thought in the mind of the mover of this resolution that, as the representative of a large group of people in the city of Winnipeg who always pay more of the price of war than those in whom, under our present arrangements, power and privilege are vested, he should articulate the desire for peace that is in the hearts of his constituents. Notwithstanding the attitude which has been adopted by the prime minister, perhaps technically and in a legal sense, that such a resolution may infringe upon some code or rule or custom, I am very glad, as the representative of a large body of people who owe their racial origins to an older world, to support this motion. I cannot see, from that point of view, what is wrong with the idea of calling a conference. I have in mind that there would be invited to it leaders in education, statecraft, engineering and industrial life to canvass and discuss the causes of war. It has been suggested that floods are due possibly to some supernatural intervention or to some power beyond our control. I do not wish to be irreverent, but I suggest that in the case of the Mississippi flood, and in the case of war, the causes are definitely man-made. I do not

believe that war, any more than smallpox, is inevitable; it has a definitely ascertainable cause, and I propose to discuss for a few minutes what I believe that cause to be.

First, far from not wanting to have discussions or conferences, I believe that if we had had a few more conferences before the great war there would not have been any war. I have in my hand a document released by Senator Nye, arising out of the investigation a year ago of the activities of armament firms in the United States. I quote a cablegram sent by Walter Hines Page to Woodrow Wilson on March 5, 1917, from London, England:

England cannot continue her present large purchases in the United States without shipments of gold to pay for them, and she cannot maintain large shipments of gold. . . . The almost immediate danger, therefore, is that Franco-American and Anglo-American exchange will be so disturbed that orders by all the allied governments will be reduced to the lowest minimum and there will be almost a cessation of trans-Atlantic trade. This will, of course, cause a panic in the United States. . . . If we should go to war with Germany . . . all the money would be kept in our country, trade would be continued and enlarged until the war ends, and after the war Europe would continue to buy food and would buy from us also an enormous supply of things to re-equip her peace industries. We should thus reap the profit of an uninterrupted, perhaps an enlarging trade, over a number of years, and we should hold their securities in payment. . . . Perhaps our going to war is the only way in which our present preeminent trade position can be maintained and a panic averted.

I suggest that those people who were told that the American nation went into the war for idealistic reasons should consider that. According to President Wilson, speaking in St. Louis a few days before he died:

The seeds of war are sown in hot successful commercial rivalry.

He added:

Is there a man or woman or child in this audience who does not know that?

When he made that statement he had in his desk the telegram I have read, which disclosed beyond question that the reason America went into that war was for profits.

I desire also to place on record an excerpt from an article in the London Daily Herald of February 6, 1936. It is entitled "How foreign loans affect foreign policy. It pays to borrow from Great Britain." This is written by Francis Williams, then city editor of the Daily Herald. I quote:

It is one of the tragic ironies of present international politics that the Nazi government is now actively criticizing the armament program of the British cabinet, and will presumably make the coming expenditure on arms in this country an excuse for continuing and further extending its own already huge preparations for war.

In precisely the same way, of course, our own government is using German rearmament as the main reason for the huge "defence" schemes which it is now drawing up with such an air of righteous mystery.

What is not unfortunately so widely realized is that German rearmament has to no small extent been made easier by the actions of international banking interests in the city and with the approval of members of the cabinet itself.

Germany has been greatly facilitated in the financing of her armament program by the non-payment of foreign debts, for money which should have gone in redemption and interest payments on those debts has been used for the purchase abroad of the raw materials her armament industry so urgently needs.

In view of the likelihood of another renewal in the near future of the Standstill agreement which did so much to make such a state of affairs possible, an examination of the whole question of the influence of the "foreign policy" of the city on the decisions of the government of the day is of considerable interest.

It has long been recognized, of course, that the protection of this country's foreign investments has been one of the guiding principles of British foreign policy for many years; but how that principle has operated in present-day international affairs is not so generally realized. Yet it is, for instance, not perhaps a pure coincidence that the one fascist country to which the "national" government has permitted itself to show any sort of hostility is the one in which British investments are almost negligible—Italy.

Thus, while in the list of foreign stocks and bonds officially quoted in London very considerable amounts are shown as outstanding to British creditors in the cases of Germany, Austria, and other countries, the total Italian government debt here is little more than £2,000,000.

Compare this figure with the £42,000,000 which Germany owes to long-term investors in this country to-day, plus the £70,000,000 which was outstanding on short-term credits at the time of the crisis in 1931—or the £15,000,000 outstanding in the name of fascist Austria—and it is not difficult to see why official circles in this country have frequently shown so remarkably sympathetic an attitude to the dictatorships of these two countries, which, though anti-democratic, have the great virtue in the City's eyes that they recognize in principle, even if not always fully in practice, the rights of foreign moneylenders to their interest payments.

In the case of Germany, of course, there are additional reasons for the notably sympathetic attitude of the City, and particularly of the Bank of England. That attitude is one of the consequences of the recklessness of those international banking and acceptance houses in the City, which lent heavily on short-term to Germany at high rates of interest, or guaranteed very large amounts of German bills, only to find that Germany could not pay or meet her bills.

I shall not take the time to comment on this. I pass on to a brief discussion of the resolution and the possibilities attainable, in my judgment, from the calling together of the peoples of the world. I would suggest that if such a conference were called the armament racketeers and their agents and friends should be asked to stay outside. Unfortunately many of these disarmament conferences have been attended and influenced by people directly interested in the profits accruing from the manufacture of arms. I intend to deal with that more particularly in a minute.

We are faced with the necessity of a new and better beginning in world affairs. It seems to me necessary to challenge the fatalism which darkens the world with the shadows of cynicism and doubt, but we must also point a new way of hope to mankind. Believing as I do in the equal worth of all peoples and races, the common blood and destiny of mankind, the essential unity of humanity, I suggest that our quest for peace in the world should be directed to express this oneness. The choice lies between the forces of blood and death and conquest, or destructive combatancy, on the one hand, and redemption and healing, or constructive cooperation, on the other. I choose cooperation and reject combatancy.

A world organization is necessary to federate and guide the normal healthful activities of men, their peace-making, their welfare-building, their advance in knowledge and its wise use, and in general, for progress in the science of civilization, which I shall define as the art of living together comfortably in large numbers.

If we were to judge the League of Nations solely on the basis of its two most tragic failures, Ethiopia in 1936, and Manchuria in 1932-33, we would do it a grave injustice. Let us rather look over its activities from 1920 to 1936, weighing its successes as well as its failures, both political and social, in order to achieve a just balance. Beginning first with the failures, we have disarmament—the undertakings of the victors in the great war to disarm were dishonoured. The world disarmament conference lies stranded. The most colossal armaments race in history is now on—fifteen billions spent last year, at the awful cost of poverty, deprivation, malnutrition and tragically reduced living standards in Europe, as against an expenditure of four billions in 1913. The fear of war again burdens the world. Economic conflicts have multiplied. Hostile tariffs fetter world trade. Currencies are unstable. Nations are unable to buy goods which they need. Economic nationalism is rampant. Japan has dispossessed China of vast territories, and Italy has taken Ethiopia, a fellow member of the league. The cause of this weakness is that the league was founded on a self-contradictory basis. It was built in part on fear, in part on fellowship, in part on belief in armed force, in part on a hope of future tranquillity. It should never be forgotten that the league arose out of the false peace of 1919. Think for a moment of the statesmen of Versailles. It was they who moulded the league to express their ideas, half charged with retaliation, half charged with hope for a better world.

Certainly in the mind of Woodrow Wilson, and doubtless to a greater or less extent in the minds of Lloyd George, Nitti, and Clemenceau, the league was envisioned as a medium through which to express the moral voice of the nations of the world. But because these men either would not or could not face cold realities, and speak the plain truth, we had before us there, the old, old story, repeated so many times in the last ten thousand years of mankind's tribal warfare, of the victors, aided by their tribal deities, who are usually on the side of the heaviest artillery, standing over the body of a prostrate foe, dictating under duress and force, at the point of a sword held at the throat of the vanquished, a treaty so full of injustices and economic contradictions that not only could it not live out a full year, but it literally sowed the dragon's teeth which have sprung up in nazi-ism, fascism, and war, finally bringing the world again to the brink of another deluge of blood.

However, we must look at the other side for a moment, and this picture is a little brighter. Over fifty disputes between nations have been dealt with successfully, often by arbitration, so averting or stopping war. The permanent court of international justice has been created. Legal judgments, advisory opinions, and orders, handed down by the courts, have steadily extended the range of international law and practice. The league maintains the international labour organization whose activities beneficially influence industrial legislation and practice all over the world. The league organization labours to prevent the spread of epidemics, and to advance medical research, work for war refugees, racial minorities, child welfare, and against dangerous drugs and the white slave traffic. I direct attention to articles 12 to

15, 22, 23 and 24, which cover the services mentioned—these could be correctly described as "constructively cooperative." They point the way to authentic progress.

While I agree with the wording of the resolution, that the League of Nations has not so far succeeded in establishing conditions conducive to a permanent and lasting peace, I suggest that we must build with the material we have, and I am merely undertaking a survey, in order to indicate a possible way forward. I am convinced that this analysis does point the way forward. The world cannot dispense with the services of constructive cooperation. The work of the league in these respects must not only continue, but advance. Yet just because the league covenants, or sanctions, the use of force against an aggressor, and because force is always a failure, always as now the result of a previous injustice, the very existence of the league is imperilled. The world has yet apparently to learn that force and retaliation can never supplant justice and reason. Italy was promised certain territories in return for her coming into the war on the side of the allies—these promises were not kept. Italy pleaded for access to raw materials before the league in 1923—a deaf ear was turned—the result, the crime of Ethiopia. Who was to blame? Among nations as among individuals, crimes and moral diseases arise out of injustices and abnormal conditions.

The golden rule—love and respect thy neighbour and his rights as thine own—is not, and never was, a mere counsel of perfection to individuals; it is a law, as exact and inexorable as the law of gravity, and to this law, the customs and regulations of nations and individuals must be conformed—there can be no abiding peace, except it be built upon a foundation of justice. The true services of the league are in the sphere of constructive cooperation, rather than in the realm of coercion. Betterment, not armament, should be the watchword of the league. The league covenant should be revised so that it would be the helper, not the dictator, of the nations. Let us have this world conference in order that we may lay the foundations of an enduring civilization, not upon the shifting sands of unfair privileges, greed, malice and war, but upon the eternal rock of truth, justice and reason. The purpose of such a conference would be to achieve a new international settlement, to give the world the true peace which was withheld in 1919. A twofold task is involved: to grapple with the causes from which wars spring, and to strengthen the cooperative human welfare work which the league has so well begun.

Nowhere is this essential oneness, this principle of world unity, better illustrated than on the North American continent. Canada and the United States have welcomed to their shores the peoples of all the races of the world. We are richer for their cultural contributions. They have attended and graduated from our schools and universities, have freely entered our trades, industries, professions and legislative bodies. These two great nations have lived side by side in complete neighbourliness and sympathetic understanding, without a gun, a fort or a battleship on the entire four thousand mile border line, for one hundred and twenty-three years. Truly an astounding feat, unparalleled in the history of the human race.

There are two main reasons for this. First, our immigrants came to this continent to escape the military and economic bondage of the old world countries. I have talked in the west during the past twenty years with hundreds of people who came from all parts of the world, and I have yet to find among them any trace of a desire for war or hate or anything of the kind. These outbreaks are due entirely to the system under which we live, and when defence measures are advocated I refuse absolutely to agree to appropriate a dollar more until this government shall demonstrate to the world that it has made an honest and intelligent effort to ascertain the causes of war, and assures the people of the democracies and dictatorships of debt-ridden Europe, which is rapidly being engulfed in cultural degeneration and moral decay and driven to the shambles of war by the money system the ramifications of which I have referred to in these documents quoted, that it seeks to remove those causes. I say that it is the inescapable moral and legal duty of this government to investigate these questions and to extend the hand of fellowship to the peoples of the world who are suffering under dictatorships arising out of the failure of our own statesmen.

I was at the lake Couchiching convention this summer and heard Doctor Hans Simmons say there that the treaty of Versailles was the definite cause of Hitler coming into power in Germany; that the injustices and contradictions of that treaty, known at the time to the people who signed it, were a direct cause of the present situation in Europe. If, then, the cause is definitely ascertainable, and we do not make any effort to deal with that cause in conferences of the people of the world, we

have forfeited our right to the respect of the people and our right to govern. If a vote could be taken among the common people of the world to-night, free from the terrorism and intimidation of dictators, political and economic, ninety-nine per cent would vote for peace. We have enough economic dictatorship in this country. Just recall the Turgeon textile inquiry, and the fact that employees in the Cornwall plant were working seventy hours a week for twenty-five cents an hour in a temperature of 120 degrees, and of course they dared not open their mouths about the conditions under which they worked. If we are going to fight for democracy, let us have economic democracy so that we may have something worth fighting for.

In calling a world conference of this kind for, in the words of the resolution, the securing and maintenance of peace, there is one thing above all that must be guarded against. No professional soldiers, armament racketeers or their friends or agents should be allowed to attend. They, and the infamous murder machine which they represent, should be told to stay outside. In 1921 a league of nation's commission which had been appointed to inquire into the problem of the private manufacture of arms came to the following conclusions: (1) that the armament firms have been active in fomenting war scares and in persuading their own countries to adopt warlike policies and increase their armaments; (2) that armament firms have attempted to bribe government officials both at home and abroad; (3) that armament firms have disseminated false reports concerning the military and naval programs of various countries in order to stimulate armament expenditure; (4) that armament firms have sought to influence public opinion through the control of newspapers in their own and foreign countries; (5) that armament firms have organized international armament rings, through which the armaments race has been accentuated by playing off one country against another; and (6) that armament firms have organized international armament trusts which have increased the price of armaments to governments. It is only natural that armament firms, with an eye to their business as merchants of death, should seek to influence disarmament and peace conferences, but not in the direction of peace. The world remembers the case of W. B. Shearer, who was paid a huge sum of money to destroy one armament conference, also that attending the disarmament conference of 1932 were the sinister figures of Charles Dumont of Schneider-Creusot, president of the Schneider-controlled Banque Franco-Japonaise, on the French delegation, and on the British delegation, Colonel A. G. C. Dawney, brother of a director of Vickers-Armstrong, and now the political supervisor of the British Broadcasting Corporation.

I suggest that invitations to attend such a conference should be sent to every nation in the world, and that each nation should be asked to send as delegates its outstanding educationists, economists, scientists, engineers and peace workers. This would make possible a scientific and realistic approach to the problem, out of which would emerge very quickly an ordered framework or plan for study, somewhat as follows.

Taking the four main causes of war, for the sake of clarity and facility in presenting these causes for study, they may be classified as economic, psychological, political, and social. The experts from all nations present at the conference would quickly find their particular work, and the economists and social scientists would organize discussion, and under the heading of the economic causes of war, study the following problems: (1) aggressive imperialism; (a) territorial, (b) economic; (2) economic rivalries for markets, energy resources and essential raw materials. Under this heading also we would have government protection of private interests abroad, without reference to the general welfare; disregard of the rights of so-called backward peoples; population pressure and inequalities of access to raw materials, customs barriers and migration barriers. Under the heading of the psychological causes of war would be found fear, the feeling of national insecurity, fear of invasion, of loss of property, of change; also suspicion, greed, lust of power, hate, revenge, jealousy and envy. Under political causes of war would be found the principle of the balance of power, secret treaties, unjust treaties, violation of treaties. Just at this point it might be well to refer again to the fact that the present situation in Germany is, in my judgment, definitely the result of unjust treaties. Arming to defend ourselves against the results of our own mistakes is palpably and demonstrably absurd. Under the heading of political causes of war we also find disregard of the rights of minorities; organization of the state for war; ineffective or obstructive political machinery.

Under the heading of the social and other contributory causes of war we would find exaggerated nationalism; competitive armaments; religious and racial antagonisms; general apathy, indifference and ignorance; war psychology created through various

agencies—the press, motion pictures, text books, and home influences; social inequalities and injustices; social sanctions of war; lack of humanitarian ideals.

I think it is an indisputable fact that we live in a warlike world because each nation in the world community, particularly each modern nation, is organized upon the basis of an economic system which makes mutuality and cooperation between the nations impossible. Each nation produces more goods than it can consume. It is therefore forced to sell to other nations more goods than it is willing to buy from them. When dealing with nations as advanced industrially as itself, this policy results in tariff and currency wars, which increase the rivalry and aggravate the natural friction between nations. When dealing with more backward nations the policy means the subjugation of the less developed portions of the globe for the purpose of providing markets for the machines of the industrially advanced nations. It is this very friction, inflamed by the contributory factors of racial prejudice, fear and hate, having their roots in the manifest economic absurdities and injustices of treaties such as the treaty of Versailles, which is bringing us ever nearer the abyss.

But why do modern nations produce more goods than they can consume? For the simple reason that the workers and farmers and fishermen who produce the goods do not get enough money for their work to buy the equivalent of the goods they produce. One does not have to accept unqualifiedly the theory of labour value to see the truth of this analysis. Workers need not even secure the exact equivalent of their labour in order to keep the machines going. Some resources must be used for the enlargement and replacement of plant and for the development of the community in general.

Modern industry is a part of a very complex social process, and many factors besides the manual labour of the worker enter into the success of the process. The important fact is that the mass of the people secure comparatively so little for their labour that the markets of modern industrial nations become glutted with goods, and the glut of goods drives to imperialism on the one hand and results in depressions and unemployment on the other. This is, I sincerely believe, the major cause of all our difficulties and I am firmly convinced that a world conference of scientifically minded men and women, motivated by a firm determination to face these facts, would accomplish a great deal towards starting the world in the direction in which we all want to go.

[Mr. P. J. Rowe.]

I must repeat that, from my own point of view, until we have made some intelligent effort to investigate the causes which have brought about the present situation in the world, it is quite indefensible to start talking about defending ourselves. If we are going to defend ourselves, let us have something to defend.

In conclusion, Mr. Speaker, may I say that there is within us all a fighting instinct. I believe that the law of any worthy life is fundamentally the law of strife—in the realm of ideas, not in the realm of force and murder; and it is only by courageous determination to face these facts that we shall move forward to better things. Why cannot the fighting instinct which is in us all be marshalled to fight the evils which are now threatening the world? We should have the statesmen of the world marshalled to fight war. We should line up the young men of the world, not to go into a gigantic abattoir to slaughter each other at the behest of cynical old men past military age, sitting in comfortable chairs, while other people go out to their death. We should have them marshalled to fight the moral and economic diseases which trouble the world. We can think of the motherhood of the world marshalled to fight diseases of malnutrition, slum conditions, bad housing.

I say that in a conference such as is proposed we could marshal and focus world opinion upon the real problem of the unity and forward progress of the world and do something to show that we have really lived in this day and generation.

Mr. ANGUS MacINNIS (Vancouver East): Mr. Speaker, I wish to say a few words in support of the motion of my colleague from Winnipeg North (Mr. Heaps), of which I am the seconder.

First of all I think the Prime Minister (Mr. Mackenzie King) is unduly sensitive over criticism of the increased expenditure for armaments in this country. As a matter of fact the member for Winnipeg North scarcely referred to the matter. All he did say, as I recall it, was that we in Canada must have caught the armament fever that was so prevalent in other parts of the world. Surely the Prime Minister must be very sensitive if he objects to a statement of that kind. Is it possible that his conscience troubles him and that he cannot justify the expenditures that are now proposed? At the moment I cannot find any other reason for his sensitiveness.

One point that was emphasized both by the Prime Minister and by the leader of the opposition (Mr. Bennett) was that it would be an impertinence on the part of this government to suggest to the government of the United States what they should do in their domestic affairs. But, Mr. Speaker, I do not think this resolution asks the house or the government to interfere in any way with the domestic affairs of the United States. Owing to the many failures we have seen, owing to the failure of the League of Nations and of the many efforts that have been made to bring about some form of international cooperation that would ensure to the world an enduring peace, the mover of the resolution asks that this government approach the president of the United States and ask him, because of his position, to call a world conference to discuss the question of world peace. The suggestion may not be a good one, it may not be a wise one, but certainly the resolution does not suggest that in asking the president of the United States to do such a thing we are in any way meddling with the domestic affairs of that country.

The resolution indicates that the League of Nations has failed to bring about permanent peace, and I believe all hon. members realize the truth of the assertion. I suggest we should try to find out why it has failed. Some of us believe it has failed principally because it was not so much interested in the maintenance of world peace—a world peace on a proper basis of social justice—as it was in the maintenance of the status quo. In other words, it was more intent on maintaining the advantages obtained by military force in the last war than it was in the maintenance of world peace, and it is for that reason many of us believe it failed. No doubt there were other reasons.

While many nations accepted the principle of the league, they did not accept it in spirit. The two notable league failures to which the mover of the resolution and the hon. member for Athabaska (Mr. Rowe) referred, namely its failure to stop Japan in Manchuria and Italy in Abyssinia, are so well known and so fresh in our minds that they deserve more attention. In my view the prestige of the league could have survived its failure in Manchuria, but its failure in Abyssinia destroyed it, or made effective work in future very difficult.

Mr. MARTIN: On its political side?

Mr. MacINNIS: I find it difficult to distinguish its political from its economic side. There may be—probably is—a difference, but if we cannot settle the world's political differences we cannot settle its economic differences. It may be the other way about, and I am not going to argue the point at this time.

The league failed in the Abyssinian affair largely because the two principal nations who could act in the circumstances, would not act because of self interest. France would not act because she was afraid of losing Italy's cooperation in the event of future aggression on the part of Germany, and Great Britain would not act because, as Sir Samuel Hoare said, she was unwilling to "risk a single ship in defence of Abyssinia."

That is not the spirit in which the league was formed. Great Britain would not be risking ships in the interests of Abyssinia; she would be risking ships in the interests of the whole system of collective security. Because the league failed to stop aggression in Abyssinia we are now faced with greater and graver dangers than we were before. I am in favour of a league of nations, but I am just as much convinced as the Prime Minister, probably more convinced than he is, that we cannot have a league without assuming certain obligations. We cannot have a system of collective security or a system which will ensure the security of the various nations in the event of attack without every nation assuming its obligations in the circumstances.

The Prime Minister accused hon. members in this part of the chamber of wanting a league of nations that had some force. He stated that there had been a suggestion of a league of nations with teeth in it, and his observation was that force begot force. If the right hon. gentleman can apply that observation to the collective force of the league of nations, then I say it is more applicable to the armaments of the nations. There is no such thing as adequate defence, because the minute one nation has adequate defence it becomes a menace to another nation, and it, in turn, must increase its armaments so that it has adequate defence against that nation which first secured adequate defence. That must be so, so long as we have the present system of alliances and balance of power. There is no way in which we can overcome the difficulty except through the acceptance of a league of nations.

It must be a league of nations or chaos, and I prefer a league of nations with the definite provision that obligations as well as security, will be involved. I am convinced we cannot have security without obligations. It would appear however that at the present time the league does not seem to be able to function.

The motion suggests that in its wisdom the government should approach the president of the United States and ask him, as the person best fitted in the circumstances, to call the nations of the world together in an effort to find a formula for peace. I do not admit that in so proceeding we would be interfering with the domestic affairs of the United States, and if we fail we have failed in a just cause. I see no reason why the government could not accept the suggestion.

Mr. A. A. HEAPS (Winnipeg North): Mr. Speaker, I shall take this opportunity to reply to some of the observations that have been made this afternoon. It is not my intention to deal with the remarks of certain hon. members in reference to the pan-American conference, because, although that matter may have some bearing on the discussion of the resolution before the house, its importance in that connection is not, in my opinion, such as to call for extended comment at this time.

In his defence of the attitude he takes, namely that of refusing to suggest that the president of the United States call a conference, the Prime Minister (Mr. Mackenzie King) first of all stated he was rather tired of the conferences held in the past and was afraid of conferences which might be held in the future. That observation is a peculiar one when we remember it was only yesterday that the Prime Minister indicated his willingness to call another national conference in Canada. Not only was he in favour of such a conference to discuss a complicated question, but the suggestion was first made by the right hon. the leader of the opposition (Mr. Bennett). Now, within a few hours after expressing themselves as being in favour of a conference in Canada, they rise in this chamber and say they are sick and tired of calling conferences.

Mr. BENNETT: I distinctly stated that I had no reference to interprovincial or family conferences, and I assume the Prime Minister meant the same thing.

Mr. HEAPS: While the right hon. gentleman makes a reservation, I still believe the principle is the same. I believe the Prime Minister said he was tired of the conferences that we had had in this country in the past, and did not know whether they were conducive of the good which it had been anticipated they would produce. I am speaking from memory, but if I am not mistaken—

Mr. MACKENZIE KING: I did not say last year; I was speaking generally and in particular of world conferences.

[Mr. MacInnis.]

Mr. HEAPS: I might point out that we have had just as little success with our provincial conferences. I do not anticipate that there will be immediate results. I know of no conference in recent years in which the United States has taken a definite part, and I feel that if a conference were called by that country it would be extremely beneficial to all concerned. The last time the United States took any part in world affairs was in connection with the Kellogg-Briand peace pact. I do not think a conference was called on that occasion; it was just a matter of signatories to an agreement. The Prime Minister pointed out this afternoon, and perhaps properly so, that certain nations might not attend, but we cannot be sure of that. I do not think any nation would ignore a call for peace coming from the United States.

I realize that very laudible efforts have been made during the past years by the League of Nations to create a peace atmosphere, but unfortunately these have failed. The Prime Minister has offered no alternative to an international peace conference except the suggestion that we might have certain regional conferences to consider the matter of world peace.

Mr. MACKENZIE KING: I hope my hon. friend will not misconstrue what I said. I was not taking any exception to the United States calling a world conference if they saw fit. I was pointing out that such a step was a matter for the United States to consider; that it was not for us to make a suggestion to them.

Mr. HEAPS: I do not think that has the importance which has been attached to it by both the Prime Minister and the leader of the opposition.

Mr. MACKENZIE KING: I think it is very important in international affairs.

Mr. HEAPS: It would not be meddling in the affairs of another country. We are simply suggesting that a certain proposal should be considered. As I have pointed out, we are in a different position from that of other countries in that we are a neighbour of the United States. As I understand it, the policy of the United States has been that of a good neighbour, and I believe that is the policy of the Prime Minister and his colleagues. The president of the United States could no more confine that policy to the United States and the South American republics than he could confine questions of peace and war to European nations. The Prime Minister gave an excellent illustration of the

treatment of international problems by Canada and the United States when he mentioned the International Joint Commission.

I do not think there would be anything wrong in our suggesting to the United States the desirability of convening such a world conference. The Prime Minister chose a rather unhappy illustration when he referred to the present catastrophe in the United States. He referred to the control of plagues and such things by departments of health. That is just what I am asking. Our departments of health, federal and provincial, have been established with the idea of preventing such things. It is the prevention of war that I want more than anything else. Certain parts of the United States have been ravaged by floods. The country was not prepared for these floods; the methods of prevention were inadequate, but I have no doubt that the embankments which have given way will be replaced by still stronger ones. I believe we should make all the preparation we possibly can for peace. We should do everything we can to create a peace psychology among the peoples of the world. We should adopt the same procedure as is adopted by our departments of health when dealing with matters concerning the health of the people.

I do not think it could be called an impertinence on our part when we make a suggestion to the president of a friendly nation, as has been intimated by the leader of the opposition. I know very little of impertinence, but I do not think that could be considered as an impertinent action. I quoted this afternoon from a book written by a professor of law at Columbia university. The late Mr. Briand was responsible for the Kellogg-Briand pact, but the statement is made in this book that the original information came to France from American sources.

At six o'clock the house adjourned, without question put, pursuant to standing order.

Thursday, January 28, 1937

The house met at three o'clock.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

PROVINCIAL AIR MAIL

Mr. ISNOR:

1. What provinces are now being served by air mail?
2. What provinces are without air mail service at present?
3. Are plans under way to have air mail service between Nova Scotia and other provinces?
4. When is air mail service to be inaugurated in Nova Scotia?

Mr. ELLIOTT (Middlesex):

1. New Brunswick, Prince Edward Island, Quebec, Ontario, Manitoba, Saskatchewan, Alberta and British Columbia.
2. Nova Scotia.
3 and 4. This matter is now under consideration.

TEXTILE INDUSTRY INVESTIGATION

Mr. TUCKER:

1. Did evidence adduced last year (1936) before the royal commission (Mr. Justice Turgeon) investigating the textile industry indicate that there has been any failure in the past to pay the full income tax properly payable by any company engaged in such industry?
2. If so, have steps been taken to enforce payment of such income tax as may have been properly payable by any such companies to the extent that same has not been paid to date?

Mr. ILSLEY:

1. Yes.
2. Yes.

Mr. LENNARD:

1. Has the government been approached regarding the tunnelling of the Burlington channel to relieve highway traffic congestion at that point?
2. Will this work be proceeded with?
3. If so, when?

Mr. CARDIN:

1, 2 and 3. The tunnelling of the Burlington channel to relieve highway congestion at that point is a provincial project. No application has been received for the approval of this project under the provisions of the Navigable Waters Protection Act.

EMILE LECLAIRE—DISMISSAL

Mr. WERMENLINGER:

1. Was Emile Leclaire employed as an engineer by the harbour commission at Montreal, in 1936?
2. Was he dismissed? If so, when, for what reason, and upon whose recommendation?
3. Was he an efficient employee?
4. Who replaced him?

Mr. HOWE:

1. Yes; on mechanical force in repair shop.
2 and 3. Released from duty consequent upon certain changes in staff made in the interest of the service.
4. Joseph Simard.

BLACKFOOT RESERVE, ALTA., FARM INSTRUCTOR

Mr. MITCHELL:

1. Does the dominion government employ a farm instructor on the Blackfoot reserve, southeast of Calgary, by the name of Hugh Newell?

2. If so, how old is he?
3. What experience has he had?
4. What salary does he receive?
5. Is his appointment permanent?
6. Is he a returned soldier?
7. How did he receive his appointment?
8. By whom was he recommended?
9. Were there any other applicants for the position?
10. If so, what were their names?

Mr. CRERAR:

1. Yes.

2. 28 on October 18, 1936.

3. He was raised on an Ontario farm. For nine years he was engaged in farming in the vicinity of Gleichen. Is capable of overhauling tractors, trucks, combines or other farm machinery. Had experience in road grading, and was highly recommended by the Canadian Pacific Railway, Department of Natural Resources, for his ability to run levels and prepare land for irrigation.

4. $840 per annum, plus house, fuel and light.

5. No.

6. No.

7. By ministerial authority. The position of of Indian farming instructor is exempt from the operation of the Civil Service Act in so far as competition in appointment is concerned.

8. Inquiries were made of a number of people in the district and he was chosen because he had the qualifications mentioned.

9. No.

10. Answered by No. 9.

FARMERS' CREDITORS ARRANGEMENT ACT—QUEBEC

Mr. BRUNELLE:

In how many cases in the province of Quebec has the board of revision, under the Farmers Creditors' Arrangement Act, ordered a reduction of capital mortgage debts?

Mr. DUNNING: 201.

CANADIAN FARM LOAN ACT—QUEBEC

Mr. LACOMBE:

1. Does the government of the province of Quebec still pay a proportion of the rate of interest on loans granted by the federal government to the farmers of the province of Quebec, under the Farm Loan Act?

2. Until when will the federal government grant loans to the farmers of the province of Quebec concurrently with the farm loan board established by the Quebec provincial government?

Mr. DUNNING:

1. Yes. Contributions on behalf of borrowers of a proportion of interest falling due on loans made by the Canadian Farm Loan Board in the province of Quebec are paid by the government of the province of Quebec under the authority of Ch. 51A, Revised Statutes of Quebec, 1925, as amended by Ch. 25, Statutes of 1935.

2. The extent of future loaning operations of the Canadian Farm Loan Board in the province of Quebec will be dependent on the necessity shown for the same.

CIVIL SERVANTS WITH SALARIES OF $125 A MONTH, AND LESS

Mr. BRADETTE:

1. How many civil servants of the federal government earn $125 per month and less?
2. How many such persons are married?
3. How many of such persons are unmarried?
4. What are the names and wages of such persons, and in what departments are they employed?
5. How many persons are presently temporarily employed, earning $125 per month and less; what are their names, their occupations and their wages?

Mr. RINFRET: I have communicated with the hon. member who put this question and he has consented to modify it. I therefore suggest that the question be dropped, to be reintroduced in a different form.

Question dropped.

UNEMPLOYED IN CANADA

Mr. POOLE:

1. What is the number of unemployed this year compared with the same time last year?
2. What is the number of men employed under the public works scheme of 1936?
3. What were the wages paid?
4. What was deducted for board, medical treatment, etc.?
5. For what length of time were these men employed?
6. How many men were laid off from the Canadian Pacific shops during the summer?
7. What was the loss in wages?
8. How many men were laid off from the Canadian National shops during the summer?
9. What was the loss in wages?
10. Were all these men reemployed, and, if so, when?
11. What has the employment commission done during the last year?
12. What recommendation has the employment commission made to eliminate unemployment?
13. What was the payment made to the provinces for relief this year, and during the same period last year?
14. What is the number of tradesmen in Canada this year, compared with the same period last year?
15. What is the number of this class unemployed?
16. What is the number of industrial trades apprentices employed by years, from 1928 to 1937?

Mr. ROGERS: This question in its present form does not admit of a satisfactory answer. I suggest that the hon. member might reframe the question and I should be very

glad indeed to advise him, if he so desires, of any information that is available on the various subjects included in the question.

Question dropped.

QUESTIONS PASSED AS ORDERS FOR RETURNS

GRAIN INQUIRY COMMISSION

Mr. PERLEY (Qu'Appelle):

1. What are the names and addresses of: (a) the legal counsel retained, and (b) the various persons employed by the government in connection with the Turgeon wheat inquiry?
2. What amounts are being paid or agreed to be paid: (a) by way of counsel fees or expenses to each legal counsel retained, and (b) by way of remuneration and expenses to each person employed?
3. Will the report of this commission be tabled this session?

Mr. ROGERS: I believe it was indicated some days ago that this question should stand as an order for return.

REVENUES FROM FEDERAL TAXES

Mr. POULIOT:

1. What was the revenue from each federal tax during the last five fiscal years?
2. To what purposes have each of these taxes been applied?

Mr. RINFRET: Return tabled herewith.

DEPARTMENT OF MINES—GEOLOGICAL EXPLORATION PARTIES

Mr. FERLAND:

1. Did the dominion government in each of the years 1933, 1934, 1935, and 1936, organize under the direction of the Department of Mines a number of geological exploration parties in Canada?
2. How many students were engaged, during the summer of each year, to take part in such geological exploration work?
3. How many French Canadian students participated each year in this work?

WHEAT DELIVERED TO WHEAT BOARD

Mr. DOUGLAS:

1. What was the total of the wheat delivered to the wheat board during the fall of 1935?
2. What was the average price paid?
3. Was this wheat sold, and, if so, what was the average price?
4. Will there be any further payment on the participation certificates issued to the farmers delivering wheat at that time?
5. What was the average price the wheat board paid the farmers for feed wheat delivered to them during that period?

IMMIGRATION AND DEPORTATIONS

Mr. COLDWELL:

1. How many persons intending to settle in Canada entered Canada during 1930, 1931, 1932, 1933, 1934, 1935 and 1936?
2. How many of such persons entered by issue of special permit from minister, in each of the above years?
3. How many of such persons, enumerated in question No. 1, came from the British Isles?
4. How many persons were deported during each of the above years?
5. How many were deported to the British Isles?
6. How many of the deportations to the British Isles were because such persons had become, or were liable to become, public charges?

PENSIONS APPEAL COURT

Mr. MacNEIL:

1. How many appeals were pending consideration by the Pensions Appeal Court as at December 31, 1935, in the following categories: (a) appeals by the crown from the quorum pensions commission; (b) appeals of applicants from quorum pensions commission; (c) other categories?
2. How many appeals were filed with the appeal court during 1936 as follows: (a) appeals of the crown from the quorum pensions commission; (b) appeals of applicants from quorum pensions commission; (c) other categories?
3. How many appeals were heard by the appeal court during 1936 as follows: (a) appeals of the crown from the quorum pensions commission; (b) appeals of applicants from the quorum pensions commission; (c) other categories?
4. How many appeals were allowed in 1936, as follows: (a) appeals of the crown from the quorum pensions commission; (b) appeals of applicants from the quorum pensions commission; (c) other categories?
5. How many appeals were disallowed in 1936, as follows: (a) appeals of the crown from the quorum pensions commission; (b) appeals of applicants from the quorum pensions commission?
6. How many appeals were referred by the appeal court to the pensions commission in 1936: (a) appeals of the crown from the quorum pensions commission; (b) appeals of applicants from the quorum pensions commission; (c) other categories?
7. How many appeals were awaiting consideration by the appeal court as at December 31, 1936: (a) appeals of crown from quorum pensions commission; (b) appeals of applicants from quorum pensions commission; (c) other categories?

VALIDITY OF DOMINION ACTS

SUMMARY OF DECISIONS OF JUDICIAL COMMITTEE OF THE PRIVY COUNCIL

On the orders of the day:

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Is the government prepared to make any statement with regard to the decisions of the Judicial Committee of the Privy Council?

Hon. ERNEST LAPOINTE (Minister of Justice): In view of the importance of the

matter it was my intention to give to the house the information which my hon. friend has just asked for. The decisions of the Judicial Committee of the Privy Council were given this morning and have been communicated to the Department of Justice by our agent in London—in summary, of course—and they are as follows:

Section 498 (a) of the criminal code had been declared intra vires by the majority opinion of the Supreme Court of Canada; it is upheld by the Privy Council. That section stands.

The Dominion Trade and Industry Commission Act has been declared constitutional by the Supreme Court of Canada and by the Privy Council on an appeal by the province of Ontario. The appeal is dismissed and a cross-appeal is allowed. The supreme court answers are varied by declaring sections 18 and 19, Canada's standard, and 23 to 26, which relate to fair trade, conferences, co-operation of boards of trade and economic investigation, intra vires. The result is the Dominion Trade and Industry Commission Act is held to be good with the exception of section 14, relating to price and production agreements, which is severable from the rest of the act.

The Employment and Social Insurance Act was declared wholly ultra vires by the majority of the supreme court, and the privy council has also declared this act ultra vires.

With regard to the three references respecting labour legislation, namely, the Weekly Day of Rest in Industrial Undertakings Act, the Minimum Wage Act and the Limitation of Hours of Work Act, on which the Supreme Court of Canada divided equally, three judges declaring that the statutes were valid and three declaring that they were not, the privy council declared those three statutes ultra vires.

As to the Natural Products Marketing Act and amendment, the unanimous opinion of the supreme court was that the statute was ultra vires, and that is also the opinion of the privy council.

The Farmers' Creditors Arrangement Act had been declared intra vires by the Supreme Court of Canada, and, on an appeal by the province of British Columbia has been declared constitutional by the privy council also.

As soon as the text of these various judgments is received by the government it will be communicated to the house.

[Mr. E. Lapointe.]

PRIVILEGE—MR. FINN

STATEMENT OF PRESIDENT OF DOMINION BANK RESPECTING CLASS TAXATION

On the orders of the day:

Mr. R. E. FINN (Halifax): I desire to call the attention of the house to a telegraphic dispatch from the city of Toronto appearing in this morning's Citizen. It is, I think, a reflection on every hon. member of this house, and particularly on the government, whether it be in power or—

Some hon. MEMBERS: Order.

Mr. SPEAKER: Order.

Mr. FINN: The point is this: the wisdom of class taxation was questioned by C. H. Carlisle, president of the Dominion Bank in an address to the shareholders at the annual meeting:

> Excessive class taxation may be an asset to party politics as a means of securing votes—

Mr. SPEAKER: Order. I would ask the hon. member to direct his question, if he has any, to the government. I do not think he can read a statement from a newspaper in this way.

Mr. FINN: I should like to ask the Prime Minister or the government whether their attention has been called to a telegraphic report from Toronto appearing in this morning's Ottawa Citizen of a statement made by the president of the Dominion Bank in his address to the shareholders at the annual meeting. He is reported as follows:

> "Excessive class taxation may be an asset to party politics as a means of securing votes, but it undoubtedly retards national progress and development, and brings injury to working people," said Mr. Carlisle.

I say, Mr. Speaker, that that statement is an insult to all hon. gentlemen who sit in this house, particularly the Prime Minister, whether he be Liberal, Conservative, or a representative of any other party, who is doing the best he can at much less salary than this gentleman is receiving. Therefore hon. gentlemen should not have to put up with such impertinence, which I repeat is an insult to every hon. member in this house.

SOCIAL INSURANCE COMMISSIONER

On the orders of the day:

Mr. JEAN-FRANÇOIS POULIOT (Témiscouata): May I ask whether it is within the knowledge of the government that the Commissioner of Employment and Social Insurance, Mr. Roméo Beaudet, sent out Christ-

mas greetings last December under the frank of Mr. Harrington, who resigned a year ago, which is all he did last year? And if it is within the knowledge of the government, in view of the decision rendered by the privy council will he be discharged to-day and the commission abolished?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I may say to my hon. friend that what he has just said comes as a great surprise to me. I imagine that the decision of the privy council will settle the question of Mr. Beaudet's position.

FARM IMPLEMENT PRICES

On the orders of the day:

Mr. T. C. DOUGLAS (Weyburn): I desire to address a question to the Minister of Agriculture (Mr. Gardiner). In view of the statement made last April, recorded on page 2127 of Hansard, to the effect that all implement firms had not then replied to the request of this house that the prices of farm implements be kept at their former level until the present investigation had been completed, I should like to ask what replies are now in the hands of the minister, and what action the government contemplates in the light of those replies.

Hon. J. G. GARDINER (Minister of Agriculture): The hon. member was kind enough to give me in advance a copy of his question, and I have had prepared copies of the letters that we have received from the three companies concerned, Massey-Harris, Cockshutt Plough and International Harvester; also an interim report of the standing committee on agriculture and colonization. I think in answer to the question it would be best to place this on the table of the house, and the hon. member can get it and read it.

PERFORMING RIGHT SOCIETY

On the orders of the day:

Mr. W. K. ESLING (Kootenay West): I should like to ask the Secretary of State (Mr. Rinfret) whether the members of the house will be supplied with printed copies of the 1937 tariff of the Canadian Performing Right Society as revised by the copyright appeal board, and if so when we may expect to get them.

Hon. FERNAND RINFRET (Secretary of State): The tariff of the Canadian Performing Right Society as revised and approved by the copyright appeal board at their sitting last December has been published in the Canada Gazette of January 2 of this year, as required by the act. It is my intention to have the tariff reprinted in pamphlet form. I do not think it would be advisable to distribute these generally, because probably only a few members are interested in the tariff, but we will have them available in my department and they will be supplied to every hon. member who makes a request for them.

EMPIRE COTTON MILLS STRIKE

On the orders of the day:

Mr. A. B. DAMUDE (Welland): Before the orders of the day are proceeded with I wish to ask a question of the Minister of Labour (Mr. Rogers) with respect to the strike in the Empire Cotton Mills at Welland. I understand the employees and the city council have requested a board of conciliation to deal with this matter, and I should like to know what action the government is in a position to take.

Hon. NORMAN McL. ROGERS (Minister of Labour): Mr. Speaker, the hon. member for Welland (Mr. Damude) was good enough to notify me of his intention to ask this question to-day. It is quite true that the city council of Welland has requested that a board of conciliation be set up under the Industrial Disputes Investigation Act. It is also true that a formal board application from representatives of the strikers was received by the Department of Labour yesterday. These communications have been acknowledged. At the same time it must be pointed out that the Industrial Disputes Investigation Act applies directly only to mines and public utilities and that in other industries, such as the textile industry, boards of conciliation and investigation can be established only with the joint consent of the parties directly affected.

I may say that the officers of the Department of Labour have taken up this matter already with the president of the Empire Cotton Mills Limited, urging that the consent of the company be given to the establishment of a board, and it is anticipated that the decision of the company will be received in the course of the next two or three days.

CRIMINAL CODE

PROPOSED ABOLITION OF HANGING AS DEATH PENALTY

Mr. J. K. BLAIR (Wellington North) moved the second reading of Bill No. 6, to amend the criminal code (death penalty).

He said: Mr. Speaker, when this bill was proposed last year it was misunderstood by some hon. members, who thought I was pleading for the abolition of capital punishment.

That is not the purpose. The bill is designed to change the method of execution from hanging to execution in a lethal chamber.

This is an old problem, Mr. Speaker; it is a question that has been debated in many countries. I have before me letters from many countries in Europe, from most of the states of the union and even from South America. I do not intend to refer to those letters because I believe in many cases copies have been sent to the Minister of Justice (Mr. Lapointe). Most of them approve of the change from hanging to the use of the lethal chamber. Most of the states of the United States approve; some of the attorneys general of the provinces of Canada are very anxious that the change be brought about. The only exception in Canada is Mr. Taschereau of Quebec, who still believes in hanging.

Mr. POULIOT: He practised it on himself.

Mr. BLAIR: Only two states of the union uphold hanging as a means of execution. One state, Missouri, approves of hangings being held in the market square.

The strange thing about punishment for crime, Mr. Speaker, is that the higher we rise in our state of civilization and the more intelligent humanity becomes, the greater is the number of criminals in the world; because our laws extend further and new laws are added, and the tendency is to lessen the severity of the punishment. In the reign of Henry VIII there were 72,000 people beheaded. Many of the acts we call crimes to-day were not classed as crimes at that time, and on the other hand many of the so called crimes of that day are punished with much less severity to-day.

I should like to direct attention to this point: In the time of our fathers the theory of retribution, which was the theory of Kant that everyone should be punished according to his deeds, was considered very important. In other words, there was a sort of trial balance struck, and the punishment would expiate the crime committed. That theory was upheld by the state, the church and almost every other authority. To-day the theory of retribution is not upheld by the law. We realize that if each of us was to suffer for the crimes he has committed, not one of us would be in this chamber to-day. We have learned the lesson that our crimes are too great—

Mr. POULIOT: Hear, hear.

Mr. BLAIR: Still, if an indivdual becomes a menace to the social order it must be remembered that this bill does not ask that such an individual should be allowed to remain a menace. We are not pleading for liberty for such as Red Ryan; that is far from our intention. A great mistake was made when we allowed Red Ryan to be turned loose, which cost five lives in addition to his own. That is not kindness, Mr. Speaker. A person who is dangerous to the social order must be kept where he can do no harm, and if he becomes a menace even to his guards I do not know but what his life should be sacrificed in order to save the lives of others.

The theory we would like to advance to-day is what is called the deterrent theory; that is, the idea is to prevent a similar crime being committed by either the individual concerned or by others. Punishment to-day is inflicted in order to prevent a repetition of crimes that have been committed. There is one thing I wish I could get hon. members of this house to consider, and it is this: In the investigations conducted in Great Britain and many other countries it was concluded that the certainty and rapidity of punishment was a far better deterrent than severity of punishment. That can be illustrated. If you put your finger on a hot stove you will take your finger away very quickly and will not put it there again, because the punishment has come rapidly and certainly. On the other hand, if you go out and catch cold and develop the 'flu, the punishment does not come so quickly and you will expose yourself more frequently. So it was found that rapidity and certainty of punishment had much more of a deterrent effect than severity of punishment, and it will be noted that in many countries of the world the tendency has been to lessen the severity of punishment in certain categories of crime.

At one time people used to be hanged for stealing sheep, and there were two hundred other crimes for which a person could be hanged not very many years ago. To-day we have only three, and practically speaking only one crime for which hanging may be the penalty, the crime of deliberate murder or murder during a robbery. There are many people who are extremely anxious that this law should be changed because of the effect upon the general public. Last year the sheriffs of Ontario passed a resolution, a copy of which was sent to me and, I have no doubt, also to the Minister of Justice. That resolution states:

> That in the opinion of the sheriffs of Ontario in convention assembled, the method of inflicting the death penalty in use in Canada is a relic of mediaeval days, and the advance in humanitarian civilization calls for the substitution of a more humane method.
>
> Furthermore, in our opinion a central place in the province should be provided for imposing

the death penalty, thereby ensuring and facilitating the proper administration of justice and materially reducing the considerable cost to the public of the present gruesome method.

Then, to illustrate the point I am making may I be permitted to read from the Halifax Herald:

Here is a case where a man from another province invades a peaceful local community, murders and robs a respectable and almost helpless citizen, and sets fire to his house in the hope of concealing the crime, which he has now confessed. Notwithstanding his confession this man will still have to receive a formal trial. A jury will have to be summoned for the purpose and very considerable cost incurred, most of which will fall on the ratepayers of a municipality which has been deeply sinned against instead of sinning. But there is worse than that to follow. If the accused should be convicted, his execution will fall as an additional and most distressing burden on the officials of that municipality. This is conspicuously unfair and unjustifiable. There is no modern excuse for it. If a less sentence than that of death were imposed on this or any other criminal, the convict would at once be removed to a central penitentiary to undergo punishment. Only in the case of murder is the municipality compelled to provide for the execution of the court's sentence.

Then, one must consider the matter of convenience. It is more convenient to have a man put to death by gas than by hanging. Perhaps some people are not satisfied that gas affords an easier way of dying than hanging does. I am sure that in almost any county one has heard of people who have died from starting their cars while the garage doors remained closed. I attended six cases where the patients did not die but went into a state of unconsciousness. When they came to their senses in the doctor's office they were asked: "Why did you not shut off the spark? Why did you leave the car running?" and they said, "We didn't know we were going to sleep."

The same thing occurred to a man who fell asleep while reading beside his stove. He was rushed to the hospital and when he regained consciousness the next day and was asked why he did not move away from the stove or to an open window, he replied, "I didn't know I was being gassed." These instances indicate clearly that death from gas is brought about without the slightest degree of suffering. As further evidence of this fact we find that a committee of medical doctors of two or three of the states of the United States decided that death from gas was much easier than by any other method.

Even the Minister of Justice has said that the lethal chamber does not require the services of an expert, and that the duties can be performed by a prison guard. At the conclusion of the observation of the minister of justice in the former government, Mr. Guthrie, the present minister made these observations:

The minister said the other day, in connection with a ghastly incident relating to the hanging of a woman in Montreal, that this was under provincial jurisdiction. He is quite right as to that, but I wonder whether we should not, if we retain a capital punishment—and I am not prepared to say that we should do away with it—have a change because this is the criminal code of the country in the method of execution, so that it should be carried out only in a penitentiary and not in any district.

In other words, he would centralize the point of execution. He continued:

I believe the electric chair; or some other device, might be preferable to this remnant of old days when such things as we have read about in the papers recently are likely to happen. I just suggest to my hon. friend that the question ought to be studied, and I think it is a reform that should be brought about in this country.

Those were the remarks made in 1935 by our present Minister of Justice after reading the disgraceful results of a hanging in Montreal.

Then, one must remember that a dying person can derive no benefit from hanging, and that pain inflicted without a purpose is a sin against humanity. If you or I had a horse or a dog to destroy we would have it put to death without unnecessary suffering. Further, we must consider the friends of the person to be executed. Can we imagine the mother or the grandmother viewing the remains of a body from which the head had been completely torn? Can we imagine the feelings of the parents or friends of boys of perhaps twenty-one or twenty-two years—I call them boys—who view the bodies after they have been mutilated by a hangman's rope? Why should we punish innocent people? Why should we not eliminate such punishment? If a person is dangerous to the social order I believe his removal by the quickest and easiest method would be the most satisfactory, and would ameliorate the suffering of those he leaves behind.

Circumstances surrounding hangings are greatly exaggerated by the pictures drawn in the newspapers. I believe there should be a law to control the press in its reports of criminal proceedings. A newspaper photograph may show a criminal bidding his family a final farewell. We know that young boys throughout the country followed the exploits of the rascal Dillinger, and, believing he was a hero, wished that he might get away from the police. The more a criminal is

punished the more sympathy is aroused in the minds of some people. This is another reason why I believe the condemned criminal should be disposed of quietly. After the last war Britain would have made a martyr of the German kaiser if she had put him to death. It is much better not to punish a man of that kind.

As human beings we are not able to interpret the mens rea or mental capacity of the criminal. It is difficult to know what we would do under similar circumstances. There can be no doubt that if a man is a menace to society through mental disease or hereditary weakness he should not be permitted to destroy society. Whether a man be disposed of by prison guards or by persons outside the prison walls, I must say that in his removal the less we punish him the less sympathy for him will be aroused. By disposing of a criminal quietly we would avoid much of the newspaper publicity. Often when sympathy, which sometimes is greater than the deterrent effect, is aroused, the deterrent effect is lost sight of. We should endeavour to retain the proper attitude of mind towards those who sympathize with the criminal and towards the state which is trying to do right by the social order.

Mr. H. E. WILTON (Hamilton West): Mr. Speaker, I was rather surprised to note the apparent indifference of many hon. members of this house to this very important bill introduced by the hon. member for Wellington North (Mr. Blair), as evidenced by the lack of attention on the part of many hon. members on his own side of the chamber.

In rising to support this bill I do so in the belief that I am supporting a move forward which is in keeping with modern intelligence. Divine law and the law of the land say a life for a life. I am not in favour of eliminating capital punishment, but if we must put human beings to death, let us do it in a decent and humane manner. In the majority of municipalities, particularly the larger centres, a lethal chamber is provided for the killing of dogs, cats and other animals. This method of putting animals to death has been adopted because it is humane, but in the same centres when the law says that the life of a human being must be taken, he is hanged by the neck until he is dead. "Until he is dead" means from fourteen to eighteen minutes. If I should undertake to dispose of a dog by hanging, I have no doubt if I were discovered the humane society would have me in court charged with cruelty to an animal and I would be either fined or imprisoned. We are not allowed to put a dog to death by hanging, but we are allowed to put a human being to death by this cruel, barbarous and antiquated method.

When a sentence of death is pronounced on a human being, the court does not stipulate that the sentence shall be carried out "with torture." The sentence is that at a certain time the prisoner shall be taken to a certain place and hanged by the neck until he is dead. This bill suggests a lethal chamber which would provide a painless death. If the human being to be placed in the chamber was not aware of what was being done, he would never know that his life was being taken. The hon. member for Wellington North referred to one case where a hanging resulted in the complete separation of the head from the body. Such a thing is most gruesome to think of and is a disgrace to our modern civilization. Even the head hunters of Borneo would have done a neater job than that. If a painless death can be provided by a lethal chamber, why have all this unnecessary torture? When a man commits a murder, is found guilty and is sentenced to death, even though he is the most hardened criminal his life should not be taken in such a way as to add additional torture to his sentence.

I can speak with some authority on this question, because I was once placed in the unfortunate position, not of being hanged, but of having to witness a hanging. It was fourteen minutes after the trap was dropped before the man was pronounced dead. There are cases on record where from eighteen to twenty minutes have elapsed. The only opposition to the proposed change from an antiquated system of putting condemned criminals to death to one more in keeping with our present civilization is that the torturous system acts as a deterrent to the commission of crimes punishable by death. I do not agree with that. I think the thing that makes a man hesitate to commit a murder is the fact that he will lose his life. I do not think the method by which the life will be taken is in itself a deterrent. In any event, we as a civilized modern people should get away from this antiquated method of taking life.

As has been pointed out, the lethal chamber is bloodless and painless and in keeping with modern civilization. In conformity with the laws of our land and of the divine order, we must continue to take life, but let us do it in a manner that will not besmirch the good name of Canadians and of Canadian authority. Let us do it like really humane people in this modern age should do things. Let us at least discontinue a system under

which we execute human beings by a method that our laws will not permit us to use in taking the life of a dog or a cat.

I congratulate the hon. member for Wellington North upon having brought this bill forward. It is a step in the right direction, and it deals with a subject that should be treated more seriously than some members appear to be treating it. I cannot believe that the members of this house will hesitate to adopt the bill.

Mr. ERNEST BERTRAND (Laurier): Mr. Speaker, I have listened with great interest to what has been said on this question. I happen to have been crown prosecutor in Montreal for seventeen years, and as such I have had to conduct quite a number of murder cases. The criminal code is made to punish and to prevent crime, and if we make punishment easy and painless as the hon. member suggests, there will be more inducement to the crime of murder.

A few years ago when I was crown prosecutor in Montreal a judge of the court of sessions condemned to the whip and imprisonment those who were convicted of armed robbery, and immediately armed robberies started to decrease in that city. Later a young man who had committed an armed robbery came before the court of king's bench instead of before the court of sessions, and the presiding judge of the king's bench, commenting on the whip, said that it was an old-fashioned method and that he was absolutely against it. He left out the whip and gave a longer term of imprisonment than had been the practice of the other judge of whom I spoke. The result was that within four or five months there were ten or fifteen armed robberies in Montreal, and all the accused came before the court of king's bench, preferring a longer term of imprisonment to punishment with the whip.

If we make punishment so easy that a man who has a grudge against somebody else can say to himself, "After all, if I kill my enemy I am going to have a trial, and if it comes to the worst I shall be sent into eternity in the easiest way possible," we will create amongst murderers-to-be the sentiment that, after all, it is not so hard to be sent out of the world in the lethal chamber if they are caught and have to go.

For this simple reason, Mr. Speaker, I shall have to vote against the second reading of this bill.

Mr. T. L. CHURCH (Broadview): Mr. Speaker, I think this bill should be referred to a standing committee of the house which we should set up on many matters in relation to law reform. The committee might consist of from seven to ten members. Almost every session bills to amend the criminal code are brought in by private members, and none of them are adopted. Canada is far behind the times in law reform, not only on this question but in many other matters of great importance to the people. In the past it has been the policy of the Minister of Justice to bring down in the dying days of the session, unknown to the judges and crown attorneys and magistrates of the country, most important amendments to the criminal code. Last session a number of statutory amendments to the criminal code were brought down on the Thursday preceding the Monday or Tuesday that the house prorogued. These amendments to the criminal code should all be incorporated in one bill, and the Minister of Justice should see to it that all measures affecting the liberty of the subject, which are the most important part of the legislation of this parliament, should be brought down early in the session or sent to a standing committee on law reform. As it is, the law officers of the crown throughout the country have no opportunity of giving parliament the benefit of their opinions upon amendments to the criminal code that are brought down in the dying days of a session.

As I have said, I am strongly of the opinion that we should have a standing committee on law reform and on legal bills. We are away behind the times in this matter. Thousands of people are in prison for debt in this country to-day. Where is magna charta in Canada. Take the bill which is now before us. In the explanatory note it is pointed out that every superior court of criminal jurisdiction may at any time make rules of court, not inconsistent with any statute of Canada, which shall apply to all proceedings relating to any prosecution, and the executive has power to pass laws by way of rules and regulations for the general advantage of Canada. I do plead with the Minister of Justice that this bill be allowed to go to a committee on law reform. Thousands of people are being injured on the streets of Canada every day by the motor car. You could fill up the seats in this chamber four or five times over by the number of people killed and injured by the motor car in Toronto in a year; 3,200 last year were injured and 76 killed by the motor car. I brought down an amendment to the criminal code to deal with that matter, but nothing came of it. Such a question might very well go before a standing

committee on law reform. Look at what they have done in England to lessen the number of motor car accidents.

So far as this bill is concerned, I believe that a change should be made only after the most careful inquiry by a committee on law reform. There have been some ghastly hangings in this country. A woman was practically beheaded in the city of Montreal during an execution. Many of the officers appointed to conduct these executions are in my opinion incompetent. They get their appointments in the provinces; they are very largely politicians.

Listen to Canadian radio commission programs, and you will have sudden death automatically—I know I will. Many people are in trouble to-day who were never in trouble before, brought about by the depression and unemployment. They are young offenders. In Guelph reformatory there are nearly 200 aged fifteen, 150 aged sixteen, and almost 100 aged seventeen, and these are young people many of them from families which in some cases have been in this country for seventy years or more and have never done anything wrong in their lives. Why are these young people in the reformatory? Lack of work and born in a jobless age. These young people, many of them, have been handicapped from birth; they have never had a chance, and some of them may come later under this particular bill.

In my opinion, Mr. Speaker, the Minister of Justice should enforce all the criminal laws of this country and all federal law, himself, and if that is not in his power then the British North America Act should be changed. Let the Minister of Justice refer to a committee on law reform not only this bill but all proposed amendments to the criminal code. Let him have the power or get the power to appoint his law officers of the crown to wield the big stick on all the big interests that have the working classes of this country by the throat.

I should like to hear from the minister why the press of this country is excluded from these executions. In Ontario and Quebec they have had that right from time immemorial. After all is said and done, the people should always have a very large interest in the carrying out of the criminal law of this country. It was so, and is one of the cardinal principles of magna charta. We have the grand jury system and the petit jury, and they are there to protect the public and enforce the law of the land.

The explanatory note to the bill points out that section 576 of the criminal code provides for the making of rules of court, and the law officers of the crown have been handicapped in the carrying out of sentences by the rules and regulations that have been made. In the province of Ontario the supreme court has authority to make rules and regulations within the criminal jurisdiction of the province. Such rules may be made at any time with the consent of a majority of the judges present at a meeting held for that purpose.

This parliament sits here and does nothing to help the poor working people out of work —and nothing to prevent crime among youthful and other offenders. There are hundreds of men in penal institutions for offences for which the depression has been responsible, because after all if you take away a man's job for years you might as well sentence him to death. If a man has been out of work for five or six years he has no prospects at all, and, I say, you might as well sentence him as deprive him of his job. But what does this parliament do? All it does is to appoint a representative of the du Pont dynasty as the head of a commission to talk about unemployment. It seems to me that instead of this bill which we have before us, parliament should be discussing a larger measure dealing with the present state of affairs as to legal reform in Canada.

There should have been a proper revision by a select committee of the house of the criminal code many years ago to meet conditions that have arisen in consequence of the various changes that have taken place in our social life. For instance, the code was passed before we had any motor cars, and before a hundred and one other difficulties which have since arisen were thought of. I suggest that there should be a standing committee of this house sitting continuously on the subject of law reform throughout the land, for that is one of the main things we need in Canada. Yet we meet here, week after week, doing nothing. We might as well go home and stay at home, because the government of Canada is not in this chamber; it is outside, an invisible government conducted by a whole lot of useless commissions. I have never known one commission to do anything worth while, and one of the most useless was the commission with a representative of the du Pont dynasty at the head.

I do not wish to oppose this motion, but I have seen some reports with respect to this particular type of gas, and it has not been a success. But talking about gas, you have only to sit here three or four sessions to get all the lethal gas you want. I suggest that if we could get home by Easter it would be a good thing for the taxpayers of Canada.

Mr. DANIEL McIVOR (Fort William): I rise to support this bill because I believe it is a step in the right direction. I hold in my hand a copy of the sacred laws from which we have often heard quoted the law of a life for a life, and I notice that the same lawgiver makes it possible for one who slays his fellow man to escape penalty through the provision of cities of refuge in different places.

I know that in the history of executions, both in Canada and in the United States, the death penalty was formerly carried out in the open, but because of public curiosity and the demoralizing effect on human life, executions later came to be held in secret. I nearly witnessesd an execution once and I am thankful to say that I did not have to see it. One of the guards said that he would rather resign his position than witness another execution. We therefore punish not only the one who has committed murder, but a great many other people as well.

But let me quote from a greater lawgiver than Moses, one whom our lawyers in this house honour extremely, because the foundation of our Canadian and British jurisprudence was laid by that great lawgiver. I quote chapter 5, verses 21 and 22, of the gospel of St. Matthew:

> Ye have heard that it was said by them of old time, Thou shalt not kill; and whosoever shall kill shall be in danger of the judgment: But I say unto you, that whosoever is angry with his brother without a cause shall be in danger of the judgment.

I take the stand that any man who has hate in his heart has at least gone one step towards murder, and therefore he would do well to have a little sympathy with any man who in a fit of drunkenness or passion incurs the supreme penalty of the law. I support this bill wholeheartedly because I think it is a step in the right direction.

Mr. J. P. HOWDEN (St. Boniface): I wish to say a word in connection with this bill. It was my privilege last year, when the resolution was moved on which the bill was founded, to support that motion and under these circumstances I take it that it is incumbent upon me at least to state my position on this occasion. In the interval some occurrences that have taken place in the part of Canada from which I come have rather induced me to modify my ideas with respect to this bill. I believe that the whole thing rests upon the question whether the law wishes to punish or to destroy. When a man commits wilful murder he becomes a killer, and as I suggested on a former occasion, once a killer, unfortunately always a killer.

It seems to me that there is only one thing to do with those who are willing to destroy human life, and that is to put them out of the way, and I still believe that the sooner they are put out of the way the better for themselves and for everyone else. But that is where my point comes in. Do we wish to punish murderers, thereby giving a warning to others who might be tempted to follow suit? Do we wish the death penalty to act as a deterrent or are we merely seeking to destroy those who threaten society? I am fully satisfied in my own mind that hanging has a decidedly greater deterrent effect than destruction in an easier form, such as the lethal chamber, and for that reason, although there are some undesirable features about hanging, I have rather modified my ideas and feel now that perhaps we should not be well advised to adopt this bill.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): In a few words I wish to support this bill. I wish it had gone a little further and proposed the abolition of capital punishment. I think it will be recognized that many of the arguments advanced by the mover (Mr. Blair) in favour of his bill are equally valid against any form of capital punishment. In my opinion, however, we ought to be much more concerned about preventing crimes than about punishing criminals.

I take it that crimes, speaking generally, are the result of one or two causes, either bad economic and social conditions or a bad inheritance. Some of us have been very insistent on doing everything in our power to get rid of bad economic and social conditions. Some men are almost driven into crime, and it is often true that once they have started along that road there is no stopping short of even murder. There is, however, this other side; I believe some people are born with what we sometimes call criminal tendencies. They have not the ordinary inhibitions; some of them are subnormal; they cannot strictly be held responsible for what they do.

A few years ago I happened to be in charge of a government bureau of social research in the west and had occasion to make investigations into the extent of mental disease and subnormality existing in the western provinces. In that work certain conclusions were very strongly borne in upon me. One was that we have a much larger proportion of these unfortunates than most people realize. The criminal statistics show that the proportion of crimes among these people is much greater than among normal people. Yet we have so

far done very little to prevent people of that class from perpetuating themselves in the community. I can recall one instance of a poor woman in Saskatchewan who had given birth to a large number of subnormal children. You could hardly say this woman was immoral; she was rather unmoral. Her mentality was not more than that of a child of six or eight years. The mounted police had to be sent out almost every year to bring in one more child to be placed in a shelter in Regina, to be for life a burden on the community. Surely something should have been done to prevent that poor creature from continuing to produce children who were bound to bring trouble to the community.

One other instance I may give, that of a judge in my own city of Winnipeg who on one occasion had before him a man from the country, a fine upstanding young farmer, but rather ignorant of city temptations, who had managed to get a young woman into trouble. The woman was in reality subnormal. I happened to have traced her record back for some twenty years to a poorhouse in England. She had cost the state tens of thousands of dollars. She had spent most of her life in public institutions, either because of the wretched diseases with which she was afflicted or because of the crimes she had committed. And this judge knew so little about that whole field of social science that he actually turned this woman over to that young farmer who promised to make her his wife. In my judgment it was one of the most criminal things that could be done. The life of this young farmer was almost ruined. Fortunately the woman had so little sense that a few months later she left him. Why should she be permitted to perpetuate her type?

I suggest that there is something in what was said by the hon. member for Broadview (Mr. Church), that while it is desirable that we effect a number of reforms in our criminal laws, to introduce them in this haphazard fashion is not the best way to do it. Surely we have reached the stage where there should be some fairly comprehensive revision of a number of our laws in view of the scientific knowledge that is now available. But as things stand I think this bill is decidedly a move in the right direction.

Hon. ERNEST LAPOINTE (Minister of Justice): May I refer to the very last words of the hon. member for Winnipeg North Centre (Mr. Woodsworth), because they have also been used by other hon. members who have supported this bill—"a move in the right direction." I should like to know what hon. members mean by "the right direction." Is it doing away with capital punishment?

Mr. WOODSWORTH: From my standpoint, yes.

Mr. LAPOINTE (Quebec East): It is a good thing that it should be known what my hon. friend had in his mind when he used those words. Capital punishment has been debated in this house on many occasions since I have been a member of it. In the old days the late Mr. Bickerdike used to introduce every session a bill to that end. But the last time the subject was debated here was a few years ago when it was introduced by Mr. Irvine, and after a protracted debate the vote was 92 to 29 in favour of retaining capital punishment in our legal structure. Therefore, so long as capital punishment is the law of this country, those whose duty it is to see that the law is carried out have to act accordingly.

As far as this bill is concerned I admit that I have much sympathy with the object the hon. member for Wellington North (Mr. Blair) has in view. Last year when he introduced a similar bill he kindly agreed to postpone the second reading in order to enable me to make some inquiries in the provinces—because after all the provinces are entrusted with the procedure and everything relating to the administration of the criminal laws; also to make inquiries in the various states of the United States in which that mode of execution has been adopted. At the end of the session my hon. friend agreed to withdraw his bill in order that those investigations could be carried on until the present session.

The mode of execution which my hon. friend's bill would substitute for the present one has been adopted by five states of the American union, first in 1924 by Nevada, and the last one to adopt it was North Carolina. The other states in which it is in force are Arizona, Colorado and Wyoming. I sent various questions to the officers in charge in those states, for the purposes of this debate. I suppose I might limit the answers to those which were given to questions 7 and 8. Question 7 was:

> What has been the experience in your state as to the degree of humaneness of this method of execution including the possibility of mistake or accident?

The answers were:

Nevada: Experience proves beyond doubt that this method is the most humane, the quickest, the cheapest.

Arizona: Although we have had only four executions to date with this method, the simplicity of it seems quite impossible for a mistake or an accident.

Colorado: From our experience we consider this the most humane method of execution yet devised. Of course, every precaution is taken to guard against possibility of mistake or accident.

Wyoming: This method is considered more humane by far than any other method ever devised, as there is no chance for accident.

North Carolina sent its answer much later, and it is this: There is some difference in opinion as to the humaneness of this method of execution but as to the possibility of mistake or accident, as stated in the answer to question 5, once the pellets and acid come into contact death is sure to follow.

Question 8 was:

What is the relative value of this method of execution as a deterrent to crime?

The answers were:

Nevada: Just as there is nothing to prove hanging is a deterrent, so there is nothing to prove "gas" a deterrent.

Arizona: I believe this question is entirely up to one's own personal opinion. It seems that every one has a different view on it. We have had a number of persons who have witnessed executions here, both by hanging and with gas, and they are equally divided as to their opinion on this subject.

Colorado: No specific answer.

Wyoming: It is considered that this method will have no more effect as a deterrent of crime than any other method of capital punishment.

North Carolina: It is impossible for me to answer this intelligently, from the number of executions we have had by electricity and the number we now have awaiting execution by gas, it would appear that neither of these methods are of great value as a deterrent to crime.

There was also a question as to the financial aspects of execution, but in a matter of this kind I do not think that point should be considered to any extent, although apparently the system is less costly than the one in force in Canada.

With a view to eliciting the views of the several provincial governments in regard to the bill, the Deputy Minister of Justice addressed a letter to the attorney general of each province requesting him to communicate the views of his government upon the subject. The answers may be summarized as follows:

Ontario: No specific answer, but the attorney general of Ontario, by letter of January 2, 1936, in transmitting to the Minister of Justice a resolution passed at the last annual meeting of the sheriffs' association of Ontario urging the substitution of a more humane method of inflicting the death penalty and the establishment of a central place in the province for this purpose, said:

Though I hate the gruesome business as heartily as you do or more so, I do not know whether Canada is yet ready to abolish the death penalty. I fancy there would be little difficulty however in inducing our people to approve some genuinely better method of ending the lives of condemned persons. Failing this, however, there seems little reason why we should not alleviate some of the grosser objections to the present method.

In saying this the attorney general of Ontario probably was expressing his own view, as he said, rather than that of the government.

Quebec: Premier Taschereau replied, and I do not know where my hon. friend from Wellington North got the information he gave the house. The information Mr. Taschereau sent to this department was as follows:

I have no opinion on this matter, and leave it entirely to the best judgment of the Minister of Justice.

Nova Scotia: Attorney General MacQuarrie answered:

It would be difficult to obtain a definite view from our government upon the subject without full information, and a copy of the bill. If it could be shown that the administration of lethal gas is a more humane way of carrying into execution capital punishment, and it is intended to establish central places for the administration of lethal gas, such as, for instance, one central place for the maritime provinces, then I would think that our government would view the proposal with favour, but at the moment this is merely my personal opinion.

I have been handed the letter from Premier Taschereau to my hon. friend from Wellington North, in which Mr. Taschereau said:

I beg to state that I have no set opinion on this matter. Hanging is perhaps not a most humane method of executing criminals, but it is after all perhaps the best deterrent and this, to a great extent, is what society has in view in instituting capital punishment.

I thank my hon. friend for sending me that letter.

Prince Edward Island: Attorney General Campbell answered:

I may say that the government of Prince Edward Island approves the proposed amendment of the criminal code by substituting for hanging the administration of lethal gas as a means of carrying into effect capital punishment.

Manitoba: Attorney General Major replied:

The views of the government of Manitoba are that if the sentence of death is to be imposed in capital cases that the method to be employed in carrying the sentence into effect should be the most humane possible.

As to whether or not the administration of lethal gas is more humane than hanging we can express no opinion.

It is noted that the honourable the Minister of Justice has caused inquiries to be made in the United States as to the experience of the several states which have adopted the use of lethal gas. If as a result of such inquiries the minister concludes that lethal gas is more humane than our present system and parliament passes the necessary amendment to the criminal code we shall, of course, put the same into effect, but we shall have to rely on the parliament of Canada determining the method.

British Columbia: Attorney General Sloan answered:

Please be advised that this is a subject upon which I am not qualified to express an opinion. The method of executing criminals is one upon which I presume medical men are competent to advise and, I am sure, if a more humane and efficient method of execution could be devised than hanging, it would meet the general approval.

Saskatchewan:

I regret to inform you that owing to lack of information and data on the subject this government is not in a position to offer its views on the matter. However, I note that you are securing full information and data as to the experience of the several states of the American union which have adopted this method of inflicting capital punishment, and if upon receipt of such information and data you would care to communicate the same to me I shall then endeavour to furnish you with the views of the government on the subject.

New Brunswick: Attorney General McNair said:

Recently this government was requested to consider a resolution passed by the Ontario Sheriffs' Association looking to a change in capital punishment which I am informed has been brought to the attention of your department.

The government of New Brunswick favours a change in the system so that all executions may be carried out at the penitentiaries.

They were also of opinion that the form of punishment should be changed from hanging to the electric chair or lethal chamber.

As to the alternative methods, they expressed no definite opinion. To my mind, the lethal chamber has some advantages.

Since these opinions were sent to the department we have received another resolution from the association of sheriffs of Ontario. The hon. member has referred to the first resolution of that body. Subsequent to the debate in this chamber last year the association held another convention and approved of the bill sponsored by the hon. member, and they have forwarded the following communication:

After the above information had been presented, the sheriffs further discussed the subject and decided that while they had done enough in advocating a change from hanging, they had still before them the question of suggesting that there be provided a central place for executions in Ontario. One of the sheriffs reported that he had visited Sing-Sing prison in New York state. It was then moved by Sheriff Lawrason, seconded by Sheriff Thuerck and agreed:

That whereas the administration of justice is within the jurisdiction of the provinces and the question of establishing a central point for the infliction of the death penalty in this province is within the powers of the provincial legislature, we recommended to the government of Ontario and to the Honourable the Attorney General that a central point be adopted and properly equipped in this province for executing the death penalty for the following, among other reasons:

(1) To relieve the residents of the county towns when the death penalty in inflicted from the morbid cloud of gloom which hangs over the community for a considerable period before and after the execution is carried out.

(2) To eliminate the evil effect upon the minds of the children of these communities of hearing the gruesome details of the execution discussed.

(3) To reduce the cost of administration of justice from the very considerable expense entailed by the present method of local executions.

(4) To avoid the great anxiety to the sheriff and other provincial officers over the search for a reliable hangman.

(5) To ensure the execution of the death penalty in an orderly and humane manner free from the bungling which sometimes happens under the present method with equipment not perfect and by inexperienced officials.

(6) That an execution in a central prison in close proximity to a large number of hardened offenders will have much more of a deterring effect, than in a county gaol with few and sometimes no prisoners there.

It was further decided that this matter of a central place for execution in Ontario should be brought to the attention of the Attorney General by a committee consisting of Sheriffs A. J. Johnston and Cane and the Secretary.

With the exception of a communication from a gentleman who had sought the opinions of people in the western provinces, these are all the communications the department has received.

Although this matter is an important one, I confess I have not been able to find a strong feeling in Canada in favour of the proposed change. The question has not been very fully discussed. When a few years ago Right Hon. Arthur Henderson was home secretary a strong delegation from various associations in Great Britain interviewed him on the question of doing away with capital punishment. On that occasion he stated that while his views might favour the request, he could not detect in Great Britain a strong current of public opinion in favour of it. That, after all, is what should influence governments in a matter of this kind.

I was anxious to hear what hon. members would have to say in connection with the bill, and I should have liked to hear a larger

number of my colleagues give the house the benefit of their views. As a matter of fact the hon. members who spoke to-day are the ones who spoke last year when the subject was discussed. As I hold no definite views in the matter I should have liked to be enlightened as to the feeling in Canada as expressed by the representatives in this chamber. I have come to the conclusion that perhaps there is much to be commended in the suggestion that the matter be considered and investigated by a committee. If that is the view of the house, before the second reading of the bill I will take steps to have the subject matter of the bill—not the bill itself—investigated by a committee before any action is taken in the matter.

Public sentiment in a matter of this kind is apt to change. There can be no better illustration of that than the purport of two letters I have received from the same Canadian citizen. One was received last year, only a few months ago, protesting against capital punishment and setting forth strong views in the matter. Only a few days ago, however, after the ghastly kidnapping in the United States when a human monster coldly murdered a little boy, I received a letter from the same man saying he had changed his view and that nothing but capital punishment could meet a crime of that kind.

There can be no doubt that this is a delicate matter, and that under present conditions a most painful duty is imposed upon those who have to do with carrying out the judgments of the courts. On the other hand I have a strong feeling that by way of deterrent the present method still offers the best protection to the people of Canada. It is not at all out of vindictiveness or retribution, as has been said, that the penalty is imposed. I do not think society has that in mind when it inflicts capital punishment; it has in mind rather the protection of its own members, and without doubt it is the first duty of a country, a nation, or a government, to protect its own citizens. The deterrent factor in the present method is worthy of grave consideration. The hon. member for Laurier (Mr. Bertrand), who was crown prosecutor for many years, says there is no doubt that punishment has much to do with the lessening of certain crimes.

It is true that in five states of the American union the system has been changed, but I think every hon. member will agree with me when I say that Great Britain and Canada have no cause to be envious of that country as far as the administration of criminal justice is concerned. Since I have been Minister of Justice many United States lawyers and judges and other citizens of that country have expressed to me very frankly the view that they would like to see the administration of criminal justice in their country as swift, as fair and as efficient as it is in Canada. All these things should be considered by those who are studying this question in an effort to decide whether it would be in the interests of the administration of justice to make the change asked for in this bill. On the other hand, some hon. members seem to feel very strongly on this matter, and if the house is agreeable I should like to move, seconded by Mr. Elliott (Middlesex):

That this bill be not now read the second time but that in the opinion of the house the subject matter thereof should be referred to a special committee, the names of the members of such committee to be given at a later date, with instructions to send for persons, papers and records, and to report from time to time to this house.

Motion agreed to.

REDISTRIBUTION

MOTION FOR SPECIAL COMMITTEE TO STUDY MORE EQUITABLE READJUSTMENT OF REPRESENTATION

The house resumed from Thursday, January 21, consideration of the motion of Mr. Brunelle:

That, in the opinion of this house, it is expedient that the Representation Act, 1933, should be amended in such manner as to bring about a more equitable readjustment of the representation in the House of Commons and to effect thereby a more just redistribution of Canada's electoral districts, and that a special committee be appointed to study this matter.

Mr. J. R. MacNICOL (Davenport): Mr. Speaker, on February 21 of last year the Minister of Justice (Mr. Lapointe) moved that a special committee be appointed to consider the 1934 franchise and election acts. This committee was to consider, first, the proportional representation system; second, the alternative vote; third, the compulsory registration of votes and, fourth, compulsory voting. On March 3 the names of the members of this committee were suggested and approved by the house. On March 5 the Minister of Justice moved that one more reference be made to the committee, as follows:

That the special committee appointed to study the Dominion Elections Act, 1934, and amendments thereto, and the Dominion Franchise Act, 1934, and amendments thereto, be instructed to study and make report on the methods used to effect a redistribution of electoral districts in Canada and in other countries, and to make suggestions to the house in connection therewith.

On January 26 of this year the Minister of Justice moved that the same committee

be appointed, and that the matters referred last year to the committee be referred to the same committee this session. Toward the end of his remarks the minister said:

> The members of the committee are the same as those who served last session, and the work to be done is exactly the same.

In view of the motion moved by the minister on Tuesday last, I think the hon. member for Champlain (Mr. Brunelle) should withdraw the resolution now before the house. The special committee appointed last session met under the very able and efficient chairmanship of the hon. member for Swift Current (Mr. Bothwell). The hon. member was not only a very efficient chairman, but a most courteous one, and I have every hope that he will be the presiding officer this session. Toward the end of the meetings of that committee last session the hon. member for Marquette (Mr. Glen) asked the chairman if redistribution was mentioned in the reference. A little later on the chairman replied:

> As to the question of redistribution, I find that the reference says: that the said committee be instructed to study and make a report of the methods used to effect a redistribution of electoral districts in Canada and other countries, and to make suggestions to the house in connection therewith.

Mr. Butcher was appointed to act as counsel for the committee last session. He proved to be very efficient and rendered a great deal of service to the committee; I hope he will be retained this session. The chairman stated that Mr. Butcher had made some little study of this matter and intended to continue it in other countries, that he would study the methods of redistribution employed there and would be in a position to give the committee a more elaborate report next year.

Mr. LAPOINTE (Quebec East): Is that the report of the committee of last year?

Mr. MacNICOL: The report of the committee of last year. I know Mr. Butcher will be able to render a valuable service to the committee this session, for in making a bit of a survey myself in a number of states in the American union, particularly in Wisconsin, I was told by the chief returning officer in Madison that Mr. Butcher had been there and that he had given him information along the lines he desired. It is for these reasons that I believe this motion should be withdrawn. The special committee appointed last session to deal with the matters referred to in this resolution should be permitted to make a further study of the matter.

As I read the resolution of the hon. member for Champlain, it calls for an almost general redistribution of the constituencies of Canada. That is entirely and totally out of order. The British North America Act states very specifically in section 51:

> On the completion of the census in the year one thousand eight hundred and seventy-one, and of each subsequent decennial census, the representation of the four provinces shall be readjusted by such authority, in such manner, and from such time, as the parliament of Canada from time to time provides, subject and according to the following rules:

That is, after every ten years. The last census was taken in 1931, and redistribution was considered by parliament in the sessions of 1933 and 1934. Another census is only four years off, and it seems to me to be altogether out of place and out of order, and contrary to the British North America Act, for this house now to consider any question of redistributing the seats of Canada. I think that the hon. member for Winnipeg North (Mr. Heaps) was quite right when he said in this house a few days ago, as reported at page 187 of Hansard:

> If there are to be changes in one constituency here and another one there, the whole question is opened up. I for one would like to see redistribution carried out, not from motives of local expediency but on the basis of true equity in all parts of the dominion.

I subscribe to those words, Mr. Speaker. Several members took part in that debate, and it was brought out very clearly that if redistribution is to be opened up again, perhaps every member of this house may ask for changes to be made in his riding. That is just what the committee in 1933-34 was up against. Many members appealed to the committee to put this village or that town or this or that township in a particular riding, and we had an example of the same thing only a few days ago when during the debate the hon. member for Portage la Prairie (Mr. Leader) said that he would very much like to have a certain town that was taken out of his riding and made part of the constituency of Macdonald put back into his riding; and the member for Macdonald (Mr. Weir), of course, would like to retain that town, since it gave him a handsome majority in the last election. Both gentlemen are government supporters. It also appeared that the member for Macdonald had a town or village that the member for Souris (Mr. McDonald) would like to have put in his riding. That is the way it goes, and if you reopen the question now, you will have throughout the country a holus-bolus attempt to violate the confederation pact by changing the redistri-

bution that was enacted. The hon. member for St. John-Albert (Mr. Ryan) also referred to his riding, and another member referred to the inequities of population in the different ridings. I shall deal with these two matters a little later on.

In the course of his remarks the mover of the resolution said a few things that I am sure he did not intend to say. I will deal first with his reference to the right hon. leader of the opposition (Mr. Bennett). I do not think for one moment that the hon. gentleman intended to be unkind to the leader of the opposition when he said that the redistribution of 1933 was unfair and was brought about with a view to the party advantage of the late government. He said:

> I shall quote in a few moments certain statements of the leader of the opposition (Mr. Bennett), who at that time was Prime Minister. . . . In a debate on the imperial agreements the then leader of the opposition, now the Prime Minister (Mr. Mackenzie King), said to the right hon. gentleman: "I challenge you to go to the country on the issue of these agreements." This was what the then Prime Minister replied: "Wait till we pass the Representation Act."

There was no relation whatever between the imperial agreements and the necessity for redistribution, and the right hon. leader of the opposition, then Prime Minister, was quite right when he intimated in effect: We will not have an election now. Perhaps it would have been much better for his party if he had had an election then, but as it was not held, no one can say whether it would have been better or worse. But certainly it would have been manifestly unfair to have an election in 1932 or 1933 on the former lay-out of the seats. Quite a number of seats in Canada had less than 19,000 inhabitants, but the hon. member for York South (Mr. Lawson) in that year represented, I believe, something between 130,000 and 136,000, and all the Toronto and Montreal seats and seats in nearly every large city represented from 50,000 to over 100,000. It is a good thing that under the circumstances the British North America Act prevented an election on the old lists.

I have made an exhaustive inquiry into this subject. I have in my desk the election acts of almost every country in the world that conducts parliamentary elections, and I say without hesitation that one of the causes of the troubles we have in Canada is the excessive population that some of us represent, and the very minimum of population that others of us represent. It is only natural that so many people in ridings with overwhelming populations should refuse to go to the polls, because they say: What is the use when it takes ten votes in this riding to equal one vote in another? I hope that when the next redistribution is undertaken, more equality—I do not say equality, but more equality—will be given in the populations that are allocated to the various ridings.

The mover of the resolution has referred to several ridings. He mentioned Drummond-Arthabaska and Dorchester, and he held up a map to illustrate his remarks. I have a whole desk full of maps here which I went to the trouble to get for myself; another gentleman has given me an envelope full of maps of the ridings of Quebec, and I frankly say that many of them look like all the animals that were in Noah's ark. I cannot understand how ridings can be carved out in the way they have been, but it is likely on account of the way the roads run in the various townships, because in the very early days in the parishes the roads may have been laid out along pioneer lines. I have the two maps of Drummond-Arthabaska here, one for the 1922 redistribution and the other for the 1934 redistribution, and I can see hardly any difference. There may be a little, but if anyone takes the trouble to look at the maps he will find that the ridings are almost identical in the two redistributions.

So far as the riding of Dorchester is concerned, apparently in the last redistribution a number of mountain peaks, or certain mountainous territory, was eliminated from the former riding of Dorchester. If you look over the redistribution carried out by hon. gentlemen opposite in 1922, you will find some very curious lay-outs too.

The mover of the resolution spoke of the redistributions of 1933 and 1882, and of the redistribution following the census of 1911. He should have investigated on the redistributions following 1901 and 1921, and he would have seen some very curiously shaped ridings in the province of Quebec. Remember, I am not in any sense in accord with anything that is manifestly unfair and I do not hold with anything that savours of gerrymandering. I agree with the hon. gentleman to that extent. He referred to some other ridings. He cannot have read the statutes of Canada of 1914 and 1915 when he mentioned those ridings. He referred to Nipissing and made the statement that the 1914 act was amended in 1915, and in that regard he was trying to set up the argument that in the past ridings throughout the country have been altered following redistribution. As far as I can ascertain from a careful research into what has taken place after every redistribution, the same procedure has been followed in every instance. In the past, if a name has been misspelled or if a piece of territory has been

left out of the riding, or if some insignificant change of that sort has been found to be necessary, then bills have been introduced to rectify these errors. That is what took place in 1915. As I say, the hon. gentleman referred to Nipissing. What was the change there? A township called Hammer was spelled Hanmer, and the act provided that it should be spelled correctly. The township of Kelly was indicated in a particular range whereas it was six ranges below, and yet it remained in the riding. So that so far as Nipissing is concerned the changes of 1915 left it exactly as it had passed through the House of Commons in 1914.

With respect to Quebec East and Quebec West, the hon. member who represents the former constituency (Mr. Lapointe) knows, as do those who sit around him, that there was no change in either of these ridings in the bill of 1915. As regards Quebec East the 1914 bill provided:

> The electoral district of Quebec East which shall consist of the following wards of the city of Quebec, to wit: St. John, Jacques-Cartier, St. Roch, and Limoilou.

All that the bill of 1915 did was to state that Stadacona, which was mentioned as in the riding of Quebec West, was not in Quebec East—absolutely no change from the bill of 1914. In reference to Jacques-Cartier, the position was exactly the same in 1915 as in 1914; all that the bill of 1915 did was to clarify the situation by stating that the riding of Jacques-Cartier should be as follows:

> The electoral district of Jacques-Cartier, which shall be constituted as at present, less the town of Verdun, Outremont, any part of St. Denis ward, at present included in the said district, etc.

As regards St. Denis ward, the 1915 bill merely reaffirmed and clarified the definition of that ward, and with respect to the ridings of Labelle, Hull and Wright, they remained exactly the same as before. With regard to Labelle, Hull and Wright, the township of Southeast Buckingham had been left out of the description of any of them, and it was inserted, for the reason that the people in the township of Southeast Buckingham had a perfect right to vote. It was not mentioned in the first bill but it was inserted afterwards in 1915. It had not been indicated in any of these ridings in the 1914 bill. In the county of Wright the township of North Templeton had been left out of the description; in the bill of 1915 it was included, because it was necessary to show that it existed somewhere, and being in the riding of Wright it was included there. In reference to Portage la Prairie, Springfield and London, we found that the descriptions were not clear enough and the 1915 bill sought to clarify the situation there. The municipal boundaries had been extended, and we had the same thing in the last redistribution in connection with the ridings of Hamilton. We used what we thought was the latest map, but it turned out afterwards that the city of Hamilton had altered its boundaries, so that the description we gave of Hamilton was not correct, and the amending bill merely clarified the description of the ridings.

When, therefore, my hon. friend tries to justify his claim for a general redistribution, he is entirely out of court so far as the examples he has given are concerned, because in no single instance was any riding added to or taken from other than as I have stated; it was merely a question whether some place had been left out or some point needed clarifying with respect to the boundaries.

Since 1924 the chief returning officer has had full power to do all that was done in the bill of 1915, and after the last redistribution, where some names were misspelled or certain boundaries were not properly described, the chief returning officer himself, in writing up the descriptions for publication, did what had been provided for by the bill of 1915.

I wish now to say a word with regard to Ontario. I happened to be chairman of the Ontario committee, and I can state without hesitation that never before in the history of the province had the eighty-two seats gone through with as little objection as they did in 1934. For my part, basing my intentions on an exhaustive inquiry into election acts, I set before myself, as a member of the committee, certain principles which I determined to follow and to recommend to the other members of the committee. One of those principles was to make as few changes as possible, for I am not in accord with holus-bolus changes. The second was to follow the municipal and county boundaries as closely as this could be done, and the third was, in the case of large cities like Toronto, to divide the city north and south so that each riding would represent a cross section of the community without segregating people of any particular race, creed or colour. As is done in so many of the states of the American union, we tried to have a cross section of the people represented in parliament. In the United States they endeavour to have a cross section of the community in their congressional districts, and I was of the opinion that we should follow that principle in Ontario.

I felt that we ought to follow the quota as nearly as possible. The quota for a seat in the last redistribution was 44,217. I considered that unless we violated county boundaries, where the population was not too far from that number it would be better to adhere as nearly as possible to the quota, but in case of any county that came reasonably close to the quota it would be better to adhere to county boundaries. These are principles which were followed, and which, as far as I can ascertain, are followed in most states of the American union. I am not particularly interested to follow the United States wherever they want to lead, but the boundaries of their seats are much more unnform than ours in Canada.

What was the result in Ontario? There were thirty-two seats out of eighty-two left without any change whatever. We adhered to county boundaries completely in the case of eighteen seats. In four cases we placed two whole counties in one riding. In two cases we placed one whole county and a portion of another in one riding. There are twenty-six seats wholly within a county but not the whole of the county. Of course I am now speaking apart from Toronto and London and other large cities. Where a town or village was on a county line we determined that that town or village should not be gerrymandered from one riding to another because a member of parliament might want that town placed in his riding or out of it. We decided that the town or village should go to the county that its reeve went to, and in the case of two towns, one in North Essex and one in South Essex, towns which were formerly in Essex ridings, I communicated with the two counties and found their reeves went to Chatham in Kent, so the two towns were put into the county of Kent. I think that is sound doctrine. I believe that only in the case of one village in this province was that principle violated. I know the member will not want me to say anything about it; it was not of very great moment, and as we had carried our point all the way through to have all the towns within the county lines go to the counties their reeves went to, except that one, I think we did fairly well.

In the case of Ontario thirty seats have a population exceeding the quota; fourteen seats are within 20 per cent of the quota. In the case of some seats, perhaps half a dozen altogether out of eighty-two, nobody knows better than yourself, sir, that I was not particularly pleased with some of them. As the chairman of the committee said the other night, in the process of making a redistribution bill there is throughout the course of discussions considerable wire-pulling, you might call it, to have this town or that township in a certain riding; but on the whole I can state without fear of successful contradiction that never in the history of this province were the seats more uniformly and fairly redistributed, by and large, than they were in 1933. I qualify that in regard to two or three that I was not personally in favour of, but there has to be some give and take. As chairman for Ontario at that time I had the great pleasure of seeing the whole lay-out for this province go through almost unanimously.

As far as Canada generally is concerned, what happened? Ten ridings have less than half the quota, based upon the 1931 population. Forty-seven have less than 30,000. One hundred and fifty ridings have less than the quota; ninety-five are over the quota; sixty-three are over 50,000; nine are over 70,000; four are over 80,000, and two have double the quota, and a third almost double the quota. I am sorry to say that the last mentioned, and one of those with double the quota, are in Ontario. They were so arranged in the end for the sake of harmony, but personally I was not in accord with that.

Now as to other countries; as the committee which has been set up by the Minister of Justice (Mr. Lapointe, Quebec East) is going to consider that question, I do not think I need at this moment state what other countries are doing. I am prepared to wait until the elections and franchise committee meets, and I shall submit to that committee what other countries are doing. I trust that this question will be thoroughly gone into, as I am convinced it should be. While I believe we have in this country as good a system of voting as any in the world, the same as they have in Great Britain; while I am altogether opposed to any of those fake systems, as they are called in New Zealand, and while I am in favour of reasonable consideration to rural ridings over city ridings, I still feel that there should be a closer relationship between the number of voters in ridings in the cities and the number of voters in country ridings. I hope this will receive consideration. There should be no hiving of any population. I have no comment to make about people of any nationality, but in a city or district where there is a large body of people of one race and perhaps an equally large body of another race, I am not in accord with the hiving of either of those races so that they will be able to elect one of themselves merely because of race. I am strongly in favour of the cross section principle, letting all the people feel

that they are all Canadians and that they are voting for the men who, they think, can best represent them.

I am in favour of maintaining the simple ballot. I have under my hand a ballot used in the second last presidental election in the United States. This is not a simple ballot, if the voter has to mark on it those for whom he wishes to vote. I assume there are about 200 names on this ballot. But that difficulty is got over by the use of machines. The voter is instructed to pull down a lever, by doing which he votes for every name on his party ticket on this ballot. If he wishes to "cross" his ticket, he has to take this big ballot and mark the individual names. But it is not the custom to do that; they are thoroughly educated to pull down the lever and "vote the ticket." Our own present system of voting is the simplest known, and I am strongly in favour of it and hope it will be maintained.

I am in favour of giving fair consideration to the city ridings. I believe all the Toronto seats have over 50,000, and I think the hon. member for Spadina (Mr. Factor) represents a still larger population than some of the rest of us do. There should be something set up after the manner adopted in Australia, whereby there should be a settled relationship between rural ridings and city ridings so that there will be more equality, with a little preference in numbers to the rural areas and reasonable fairness to the city ridings. At present people in my city, and I am sure in the great city of Montreal, must feel like refusing to go out to vote, when they see that a riding of eighty or ninety thousand has no more power in the House of Commons than a riding of eighteen thousand. Those conditions should be changed, as they have been changed in many other countries, so far as I know.

As I am getting near the end of my time, Mr. Speaker, I would just add that in Ohio, Illinois and Wisconsin, into which I inquired thoroughly this summer, the ridings are all laid out so that as nearly as possible they are the same size, and they are within county lines. In no case do they cross the county line except in the senatorial seats. That is one thing on which the American citizen usually prides himself very greatly, namely, equal voting power, and in Canada we must get nearer to that. I could add a good deal more, but I see that my time is up and so I shall conclude by suggesting that the mover withdraw this resolution, and that whatever there is to be considered along this line should be referred to the committee which has been set up by the Minister of Justice under the very able chairmanship of the hon. member for Swift Current (Mr. Bothwell).

Mr. W. P. MULOCK (York North): Mr. Speaker, first I wish to congratulate the mover of this resolution, the hon. member for Champlain (Mr. Brunelle). This is a matter of interest to many people who were formerly in the riding that I have the honour to represent in this house.

The two points involved in this question would appear to be: First, has the parliament of Canada power to deal with this subject at this time, and second, if it has that power, are there injustices which should be corrected by this parliament? I submit that the hon. member for Davenport (Mr. MacNicol), while he dealt with section 51 of the British North America Act, did not deal with either section 40 or section 52. I submit that section 51 deals only with proportionate representation as between the provinces, and not with electoral boundaries within provinces. In support of that contention I would refer hon. members to Clement's Canadian Constitution, third edition, page 43, line 19, which makes it very clear:

> Under section 40 the power of the dominion parliament to alter electoral districts is clearly established. Section 51 applies only to the readjustment of the representation of the provinces as between themselves, and has no reference to the boundaries of the electoral districts in each province, and it would appear therefore that the readjustment under this section is a mere matter of mathematics. The wording of section 52 bears out this construction, indicating as it does that the essential thing in the scheme of representation is the proportionate representation of the province. The electoral districts may be altered at any time (section 40), and the total number of members increased (section 52) by the parliament of Canada, "provided the proportionate representation of the provinces prescribed by this act is not thereby disturbed."

Surely this would seem to be a very clear exposition of the facts in regard to that matter.

The next question is whether this change should be made by parliament at this time. We have heard from the hon. member for Champlain and the hon. member for Jacques-Cartier (Mr. Mallette), who produced some rather peculiarly shaped diagrams showing the boundaries of ridings in the province of Quebec. We have also heard from the hon. member for Portage la Prairie (Mr. Leader) and the hon. member for Souris (Mr. McDonald), both from the province of Manitoba, who did not seem to be entirely satisfied. We have heard also from the hon. member for Inverness-Richmond (Mr. MacLennan) and the hon. member for Saint

John-Albert (Mr. Ryan), both from the maritimes. As I listened to the hon. member for Leeds (Mr. Stewart), who acted as chairman of the last committee, deal with the question the other night, when he stated that there was agreement throughout Canada except in Quebec and a few ridings in Saskatchewan, I thought it was the duty of a member from Ontario to make it quite clear that there was not perfect agreement in all the ridings of this province.

Before dealing with this subject I should like to make it quite clear that I am not asking to have any people removed from the riding of York North. I am here to ask for justice for the people of the township of Markham and the village of Stouffville, in regard to the treatment they received at the hands of the last redistribution committee. I have in my hand a diagram of the riding of York North as it existed before the last redistribution, together with a diagram of the riding as it appeared after the redistribution, and I quite understand what was meant the other night when the hon. member for Leeds said that this problem was almost baffling. When they reached the north end of my riding they were at lake Simcoe. They could not do anything there. Down the side they had Cook's bay, and they could not very well drain that. But as they worked south their troubles became less and less. Finally they added on a bit to the south, took out a part here and a jog there—which was the village of Stouffville—and so on. I might say that at the time the last redistribution took place, York North was the one really rural riding of the three York seats. Markham and Stouffville are definitely rural districts, but these people were taken out against their wishes and against their interests, and moved into a riding which is predominantly urban.

Mr. THOMPSON: Might I ask the hon. gentleman how these districts, Markham and Stouffville, voted?

Mr. MULOCK: In the old riding of York North I think the party which my hon. friend has the honour to represent in this house won one poll.

Mr. THOMPSON: And the hon. member would like those people back?

Mr. MULOCK: For the information of the hon. gentleman I may say that I had a very, very substantial majority, and I thank him for his interest.

I can show on this diagram where they took out the village of Stouffville and where Markham was before it was removed from the riding and placed in the riding of York East. I was also very much interested the other night when we were told of the great care which was exercised in this matter, and when we were assured that this redistribution was not rushed through. Why, they started it at one session and finished it at the next. They slipped in one particular at least; they disfranchised the people in the east half of Richmond Hill. They were not included in any riding, and it was not until after the committee had risen and I drew the matter to the attention of the chief electoral officer that they were added to the riding of York North.

But one might think, after listening to this exposition, that this change was perhaps not based upon population. The hon. member for Davenport was very much interested in the question of population. Just let us see how much there was in that. There were 5,596 taken out of the constituency of York North and a new part containing 5,527 people was added. When the work was completed and 11,000 people were moved, the population was reduced by sixty-nine. I should think there might be some lingering doubt in the minds of some hon. members as to whether perhaps there was not just a little consideration to party expediency when that redistribution took place.

As evidence of the views of the people in the constituency I have telegrams and if hon. members would like to hear them, with their permission I shall be only too glad to read a sample:

> In case of redistribution would strongly urge that Markham township be again placed in North York. Being essentially a rural community our interests can only be fairly represented when united in a rural constituency.

That is the point. These people are from a rural constituency, and the wish of the great majority of them is that they should be returned to a rural constituency. On their behalf I am asking only that justice be given to the people of the township of Markham and the village of Stouffville, and that, as suggested by the hon. member for Champlain, the matter be referred to a committee.

Mr. L. D. TREMBLAY (Dorchester) (Translation): Mr. Speaker, I have a few observations to offer with regard to the resolution moved by the hon. member for Champlain (Mr. Brunelle). First, I wish to join with the previous speaker in congratulating the hon. member for his motion. While listening, a moment ago, to the hon. member for Davenport (Mr. MacNicol), I realized that the hon. member for Champlain was perfectly right in raising this question. The resolution asks for the appointment of a com-

mittee for the single purpose of giving justice to the people of Canada. In support of that statement, I can but quote his motion which is as follows:

That, in the opinion of this house, it is expedient that the Representation Act, 1933, should be amended in such manner as to bring about a more equitable readjustment of the representation in the House of Commons and to effect thereby a more just redistribution of Canada's electoral districts, and that a special committee be appointed to study this matter.

Mr. Speaker, my colleague, the hon. member for Champlain thought fit, a few days ago, to point out as a crying injustice the distorted outline of the county I have the honour to represent in this house. He was perfectly right. The redistribution which must take place after each decennial census was so ordered with a view to balancing the population in the various constituencies and to enable communities about equal as to number to be represented in the house, in so far as possible. When the hon. member showed you the map of the electoral district, he did not mention the size of its population, which I know, of course, better than he does; but if you consult the report of the chief electoral officer for 1930, you will see that instead of balancing the population as between Dorchester and the adjoining counties of Bellechasse and Beauce,—liberal counties, and known as such—they accentuated the difference in number. Kindly permit me, Mr. Speaker, to quote a few figures. For instance, before the last census, the population of the electoral district of Dorchester was 29,503. The adjoining riding of Beauce had a population of 52,700. My predecessor, who evidently cared no more about the balance which he was to try to reestablish, gave the county of Beauce four parishes that belonged to the county of Dorchester, when the county of Beauce had already twice as big a population as the other one.

Well, you may say that there was perhaps some geographical reason to justify the attitude taken by the former member for Dorchester. In my opinion, there might have been three reasons: the geographical conditions, the psychological causes, and, last but not least, the political motive. As to the geographical conditions, if you will kindly look over this map of the constituency of Dorchester which I am now showing to the house, you will easily recognize a likeness to the sphinx. Look at the features, it is the sphinx. Look at the nose, the chin, everything is perfect. Facing that, there are two other parishes, St. Zacharie and St. Aurelie, which, being a part of Dorchester county for federal purposes since many years, had asked, only a few years before the general election of 1935, to be reincorporated in the county of Dorchester for provincial purposes. The municipal council, the mayor and the authorities of the parish had asked that these parishes be made a part of the county of Dorchester for both provincial and federal purposes. They readily admitted within the boundaries of Dorchester the good people of St. Aurelie and St. Zacharie, and everybody was happy. Once elected, my predecessor said: No longer will you belong to Dorchester; from now on you will be included in the constituency of Beauce for federal purposes, in spite of the fact that you have just secured, for provincial purposes, the right of being included in Dorchester. Perhaps my predecessor is an archeologist; possibly he is. This morning, as I looked over this map of the county of Dorchester, which I am now showing you, I felt that he may have been gifted with such a talent. If my predecessor had not taken off the whole area shown here, which, naturally and geographically, belonged to Dorchester, he would not have had this picture of a sphinx. There was just one reason for taking away those parishes; it was neither a geographical nor a psychological reason, because in the county council the authorities of those parishes had requested to be included in the county of Dorchester, which I have the honour of representing here, but there was Mr. Gagnon who thought they were cumbersome, not, as I say, from a geographical or psychological but, to be sure, from a political standpoint, for at the election of 1930, these parishes gave, respectively: St. Aurelie, a Liberal majority of 76, and St. Zacharie, a majority of 173, also Liberal. As a result, Mr. Gagnon requested that these parishes be included in the constituency of Beauce.

From an archaeological standpoint, the sphinx would not have been complete had not something been taken off here in order that its head might be properly delineated. There was a small parish in this first corner, the parish of Saint-Luc. It naturally belonged to the county of Dorchester, that is, to the townships of Ware and Standon; the name of the latter had to be cut in half, because one-half of the township had been included in Bellechasse. Well, my predecessor —I do not wish to insinuate that he had political or electoral motives—cut a hole here in the county, so that the head of the sphinx might be perfect. He made the drawing, he removed the small parish of Saint-Luc and had it included in the county of Bellechasse solely for his own protection. But, some might say, the people of Saint-Luc may pos-

sibly, from a psychological standpoint, have preferred to be included in Bellechasse. I say no and my colleague from Bellechasse would tell you, if he were here. I like very much the people of Saint-Luc, but the surroundings are somewhat unfamiliar to them in Bellechasse, where they have been transplanted only through the wishes of the former member for Dorchester in this house. That is easily understood; those who, to-day, are citizens of Saint-Luc, formerly belonged to Standon and Sainte-Germaine, which are within the townships of Ware and Standon. Mr. Speaker, these people attended the meeting which my opponent and I jointly held in Standon, and they were there, not as Dorchester citizens or electors—they belonged to Bellechasse at the last election—but they could not understand why, for instance, they, who were legitimate children of the county of Dorchester should have been transplanted into Bellechasse solely through the will of my omnipotent predecessor. Well, Mr. Speaker, I am giving you an explanation for this first hole that was cut into the county of Dorchester. You may say that there was perhaps another reason than the geographical conditions. But I am showing you that it is absolutely unreasonable from a psychological angle, and I have also shown that it was wholly unreasonable from the geographical standpoint. However, I agree that there is a political reason, and it is this: The small parish of St. Luc, which numbers about 150 voters, gave the Liberal party a majority of 125 votes in 1930, and again a majority of 138 votes in 1935. If you will kindly follow my argument you will see that there is another piece of antique art which I again consider as perfect. You have here the lion's tail, that is the sphinx's tail. You know that the sphinx had the head of a man and the body of a lion. They tried to draw something like a lion's tail. That is how they took away a beautiful parish of which the county of Dorchester was so proud, I mean the parish of St. Maxime de Scott. From an artistic point of view I agree that my predecessor was perfectly right; but geographically and psychologically speaking, I repeat that these people rightly belonged to Dorchester. As to voting purposes, the former member had every good reason to send them to Beauce. Again if you will consult the reports of the chief electoral officer for 1930 and 1935, you will notice that St. Maxime gave a majority of 91 to the Liberal party in 1930, and that after it had been transferred to Beauce county, it still gave the Liberal party a majority of 190, as a protest against what had been done. Mr. Speaker, I wanted to submit these facts to the house, because I feel that the motion of the hon. member for Champlain is fully justified. I admit that sometimes we may, for political reasons, allow a few small trifling injustices to slip in, but it is unworthy of a man who wishes to represent his fellow citizens in a house like this one to say, for instance, to thousands of people: Although you wish to belong to Dorchester, I am going to ship you to other counties and you will be part of them, simply because at the coming elections I want to be elected, and secure a majority for my party.

Mr. Speaker, if you will permit me, I shall say a few words in English, in reply to my hon. friend from Davenport (Mr. MacNicol), although he has left the chamber.

(Text) Mr. Speaker, a short time ago the hon. member for Davenport (Mr. MacNicol) wanted to know if the hon. member for Champlain (Mr. Brunelle) was asking for a committee to redistribute all the counties of Canada. That certainly is not the intention of the hon. member for Champlain. His motion shows that he asks this house to appoint a committee to render justice. The motion reads:

> That, in the opinion of this house, it is expedient that the Representation Act, 1933, should be amended in such manner as to bring about a more equitable readjustment—

I cannot see why any hon. member should be afraid of a motion such as this. I do not think anyone would object if the hon. member for Davenport appeared before the committee which the hon. member for Champlain suggests should be appointed, and demonstrated that such readjustment would be unjust. I think the hon. member for Champlain is perfectly right in asking for a committee to study those matters which were neglected in 1933. I ask the hon. member for Davenport to look at Hansard to-morrow morning and read the translation of the remarks I have just made in French and then tell me whether he does not believe a redistribution to be absolutely necessary in my riding in order to give justice to those whom I represent in this house.

I shall conclude by saying that I do not think any hon. member should object to the motion of the hon. member for Champlain. All he asks is that justice be given to the population of Canada. That is all that anyone who realizes his responsibilities could ask for, and I think the house should unanimously support the hon. member for Champlain.

Right Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, I have from time to time heard that it was the intention of the government of the day, with its large majority, to amend the Representation Act passed by this house in 1933. I do hope the government will reconsider its intention in that regard. I listened with great interest to the speeches that were made by the hon. gentleman who moved the resolution (Mr. Brunelle) and by others who supported it, and I cannot but think they have failed to appreciate just what the difficulties in this country are with respect to a redistribution of seats. The hon. member for York North (Mr. Mulock), for instance, had an erroneous impression as to the powers of this parliament. This parliament, as he pointed out, under section 52 of the British North America Act can increase the representation of the House of Commons. But that has been done. We have settled that at 245 members. There is in the statute a provision as to sixty-five members from Quebec. The Dominion of Canada is now entitled to be represented in this house by 245 members. That is what section 52 provides for. We cannot increase the number from Quebec; we cannot diminish it; we are bound absolutely by the rule that Quebec has a fixed number of sixty-five members, and the ratio that exists between that number of sixty-five members and the population of that province means in the end that Canada is represented by 245 members in this house. Parliament has taken those steps; that cannot be changed.

But what can be changed is the boundaries of the seats. There are those who contend that this should not be done, and I think they are right because it has never been done except to correct clerical errors. Section 51 of the British North America Act provides:

> On the completion of the census in the year one thousand eight hundred and seventy-one, and of each subsequent decennial census, the representation of the four provinces shall be readjusted by such authority, in such manner, and from such time, as the parliament of Canada from time to time provides, subject and according to the following rules.

Then follow the rules. Constitutional practice has been uniform that once parliament has completed its duty and made a redistribution, that redistribution is not amended by changing the boundaries of constituencies between that time and the date of the next redistribution. Whether that power exists there may be some doubt, but broadly and generally the rule is that parliament can always amend what it enacts, can always repeal what it has done. But there are some things parliament cannot do within the constitution, and one of them is to increase its membership beyond 245.

The resolution as it reads certainly contemplates a change being made; it asks that the act passed in 1933 be amended to bring about a more equitable readjustment of the representation in the House of Commons. There can be no change in that; that is settled at 245 members. It is settled as a matter of mathematics that Ontario has eighty-two members. It is settled that Prince Edward Island, for instance, has four, because it is provided by the constitutional amendment that its membership shall never be less than its representation in the Senate. The same applies with equal force to New Brunswick. That part of the resolution is absolutely bad, and I think the Minister of Justice (Mr. Lapointe) will admit at once that there cannot be a more equitable redistribution of the representation in the House of Commons. Let us look at the rest of the resolution:

> —and to effect thereby a more just redistribution of Canada's electoral districts.

"A more just redistribution of Canada's electoral districts"—that is not very happily put, but it means that the electoral districts shall be altered; that the boundaries shall be changed. Mr. Speaker, I plead with the government not to do that. Not for a minute do I deny that the act of 1933 was not perfect. There has not been a redistribution bill passed by this parliament that has been perfect. My hon. friend the Minister of Public Works (Mr. Cardin) knows of the long struggle that took place during part of three hot days in connection with the redistribution bill of 1933. He knows, as every member of this house who was present then knows, that there was no desire to seek party advantage, as was suggested by the mover of the resolution, because nobody could know what would be to party advantage. That is the obvious answer; nobody had any idea what advantage it might or might not be, because the population had changed. No one could determine what the new electorate might decide.

We were confronted with the situation that in the older provinces there were county boundaries; in the west there were not. In New Brunswick and Nova Scotia there are county boundaries; in Quebec and Ontario there have been county boundaries since the establishment of those provinces, and one of the difficulties which has been experienced particularly with respect to the sixty-five seats

in Quebec is that if you adjust the representation on a population basis you disturb the whole county system. There are a million people or thereabouts on the island of Montreal. If you divide that by 44,000 you will see at once that the island of Montreal would have about twenty-five seats, leaving forty seats for the rest of Quebec. Now I ask my hon. friend who wants to bring about this new change, what is he going to do about that? Is he going to say—and this would be the ideal condition—that one man's vote in Montreal shall have the same weight as one man's vote in some very small county that I might name?

Mr. POULIOT: Levis.

Mr. BENNETT: Levis; that is an illustration. Is a man to have the same weight to his vote in every county of the confederation? If so, then at once the island of Montreal must have about twenty-five seats, and the other forty seats in Quebec must be determined by a uniting of counties and a disturbance of conditions which have existed since confederation. Do not let us blink the thing; let us look it fairly in the eye. If the resolution is to be carried into effect it means just that. In Toronto, it is the same story; in Hamilton, the same story; in London, the same story. The city seats will have the major representation in parliament because at the moment there is a larger proportion of the population in urban than in rural centres. If those who are interested in this matter will take the trouble to look at the Hansard of that day, they will find that when a motion was made by myself to refer the redistribution to a committee, I pointed out certain elementary rules which would have to be observed. Although we had settled the basis of representation, although we knew the quota of electors entitled to a seat in this house, we at once frankly realized that if we stuck to that we would do a great injustice to rural populations and bring about such an alteration in the boundaries of counties in the older provinces as would create a disturbance that could not be quieted inside a generation.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. BENNETT: At six o'clock I had just pointed out that county boundaries had been respected in all redistributions which had been made in this country since confederation, and by reason of that fact great difficulties have arisen in endeavouring to provide that each vote shall have equal weight in every part of Canada.

I now propose to devote my attention to another phase of this matter. If this redistribution bill is to go to a committee it must involve the consideration of the whole 245 seats, and if the mover desires to have effect given to his contention he must be prepared to see the rural part of Quebec lose a very large part of its present representation. Equally must Ontario be prepared to see the same thing follow.

I am going to give one illustration, because this was a matter that gave me much concern in 1933. In the eastern part of Ontario we have Glengarry, Stormont, Prescott and Russell. If we were to give effect to the principle contended for by the mover of this resolution, one of these counties, if not two, would disappear, and the county of Welland, in which area there is a population of 120,000, would of course be entitled to three members. It now has one. The eastern part of Ontario, by reason of the preservation of county boundaries in Russell, Prescott, Glengarry and Stormont, now returning four members, would lose at least two.

The committee in 1933, considering these matters, were willing to deal with them in what they conceived to be a broad and generous manner, realizing that there was not equal weight attaching to every vote, and they laid down the principle, which I believe the then leader of the opposition (Mr Mackenzie King) regarded as sound, that because rural populations were smaller than urban it was desirable to lower the basis or standard of representation, in numbers, in these constituencies. In Canada there are very few rural constituencies, in fact I think none, that have a population of 44,000. If this resolution means anything it means that the rural population of Canada must be placed on the basis of one man, one vote, equality with the urban population, because the hon. member talks about absolute justice, and absolute justice means just that. It means nothing more and nothing less, involving the adjustment of representation of 245 seats, so that each man's vote shall have equal weight in every part of the country.

I recall the attitude taken by the late Sir Wilfrid Laurier, who came into office in 1896 on a redistribution that had been made by his predecessors in office. Although he went to the country in 1900, my memory is that prior to that date he made no modification in the boundaries of constituencies, because the

redistribution consequent upon the census could not be made following 1901 because the census had not been taken. Under the census of 1911 a redistribution was carried out under the government of Sir Robert Borden. At that time I was a member of the committee and I remember the difficulties we experienced before we could arrive at an agreement. Then there was the census of 1921, with the same difficulty. If we take the basis suggested by the mover of the resolution, I can point to-night to many more inequalities in the redistribution of 1921 than in the redistribution of 1933. What is more, within the sound of my voice in this house there are hon. members who, carrying their minds back, must realize that that is so. Why? Because absolute justice is impossible if you are to give the rural population the position which we have given them and if you are to consider the county boundaries as having any importance and not concede to the cities and their population the same position you accord to the others. The 1911 census was followed by a redistribution by Sir Robert Borden's government, and that was followed by a redistribution on the basis of the 1921 census. A government under the present Prime Minister effectuated that redistribution, and although there were many difficulties and differences of opinion, no one suggested that a new statute should be passed to meet the situation.

Let me recall two or three more facts before I conclude. When the committee was set up in 1932 it endeavoured to reach an agreement. My hon. friend the Postmaster General (Mr. Elliott), if I remember rightly, was a member of that committee. The members of that committee were at once confronted with every one of the difficulties to which I have just alluded, and finally they arrived at what was regarded as a fair working arrangement in British Columbia. As I shall presently point out, that was agreed upon. It is quite right for any member of this house to say that the fact that a committee agrees upon something does not necessarily prove that it is correct and just; but it does indicate that the members of the committee from various sections of the house came to the conclusion, having regard to the difficulties they had to meet, that this was not an unfair arrangement with respect to British Columbia. As regards Alberta, I can readily recall the difficulties which arose in getting in the number of seats in the districts in which the population was in that province. The then member for Bow River, Mr. Garland, was very much offended at the method that had to be adopted, and the then member for Medicine Hat had to follow up the main line of the Canadian Pacific railway to get his population in.

When I was a member of the committee we had all the seats provided for but one, and it became an omnibus seat, known as Bow River, an area as large as Prince Edward Island if not larger. It was divided by rivers, the great Bow river splitting it in two. In Calgary my position as a member was made more dangerous and difficult by the redistribution. I consented to it gladly in the hope that the committee would be able to provide, in the other two seats, adjustments which might be compensatory. The result was that the committee agreed upon it, and there was no discussion in the house, except that the then member for Bow River felt that his seat was rather oddly shaped. And it was; there is no doubt about that. But having regard to the population it was almost impossible to make the adjustment otherwise.

As regards Saskatchewan, when the present member for Melville (Mr. Motherwell), who was then also member for Melville, saw the proposed map he stuck his cane through it; he was so offended. As an old member of this house he contended that it was an indecent sort of thing to change the boundaries of his constituency on the basis of population. There is no doubt, strictly speaking, that if the mover of this resolution is to have effect given to his contention, that seat should not have been left as it was. But at times there is a sense of comradeship among men in this house, and the then member presented his case, thinking it was fair and right that the boundaries of his constituency should not be disturbed. He was not a young man but had served his country for many years and had been a minister of the crown, and so the committee finally agreed to leave the boundaries as he wanted them. Then my hon. friend from the Battlefords had some difficulty about his seat.

Mr. McINTOSH: North Battleford.

Mr. BENNETT: Yes. He will recall the circumstances. The present Prime Minister (Mr. Mackenzie King) contended that Prince Albert was being widely expanded by having included within it certain sections that had theretofore belonged to the constituency of Rosthern.

Mr. DUNNING: Melfort.

Mr. BENNETT: Melfort, yes; thank you. It is perhaps within the memory of some hon. members here that we did endeavour to make

a compromise which would meet with general approval, and in the end the adjustments that were made were regarded as reasonably fair. I shall go no further than that.

In the Manitoba redistribution, of which the hon. member for Portage la Prairie (Mr. Leader) has complained so bitterly, the committee had great difficulty, because Portage la Prairie is a city which contains nearly half the population of Manitoba, outside Winnipeg. Should they get their representation vote for vote and thereby have half the seats, or should there be an adjustment along the lines I have indicated? In the end the general sense of the committee was that it would be unfair to do that. Portage la Prairie happens to be a community of some size. It was difficult to include in it the surrounding area, but this had to be done in order to be able to provide for the population on any reasonably proportionate basis, and county lines there and generally in western Canada have not become so important. Strange as it may sound, the committee agreed to that redistribution in Manitoba.

We come then to Ontario. I have already sketched some of the difficulties; I am not going to recall them here to-night. But if this motion carries and effect is given to it in the terms in which it is written, it will be very much to the detriment of those who sit to the right of the Speaker. That is all I can say. The hon. member for York North (Mr. Mulock) pointed out certain conditions in connection with Markham. I wonder if he told the house where these places had been in previous distributions. No one knows better than the Postmaster General (Mr. Elliott) about the difficulties in Ontario. The difficulty of trying to balance populations becomes almost like a complicated crossword puzzle in these small communities.

I have already mentioned the position in Quebec, where we find the great island of Montreal and other city communities, such a community, for instance, as Drummondville, and a small community like Dorchester. The difficulties can hardly be overstated.

As regards the lower provinces, I was amazed at the statement made the other day by the hon. member for St. John-Albert (Mr. Ryan). New Brunswick had to lose a member on the redistribution. Saint John was a double member constituency, and on the basis of population the loss had to fall there. That is all there was about it. In the northern part of the province, if we keep in mind county divisions, there were Restigouche, Madawaska, then Gloucester, far more people than the unit of population called for. There were Northumberland, Kent, each with its quota. Kings and Queens were united as Royal; there was nothing else to do. York and Sunbury had been combined; so had Carleton and Victoria. When the hon. member suggested some ulterior agreement or understanding he surely overlooked the fact that New Brunswick had to lose a member and the only place where this could be done was the double constituency of St. John-Albert.

Mr. RYAN: I made no suggestion of ulterior motive.

Mr. BENNETT: Well, the hon. gentleman said, "We are glad to know now how this happened." That is how he started his speech. He said, "We had been wondering a long time how this was done, or consented to." If he will look at his remarks he will see that they are open to only one construction. The loss was of a then Conservative seat.

Then we come to Nova Scotia. In that province counties had to be joined together or else divided in a manner that would be very unsatisfactory to the people concerned. My hon. friend the Minister of National Revenue (Mr. Ilsley) knows the difficulty better than anyone else. Mr. Short, then member for Digby, found himself without a seat, and Pictou no longer was a county by itself. The situation there was one of extreme difficulty.

Mr. ILSLEY: Pictou is preserved.

Mr. BENNETT: Yes. The other constituency is—

Mr. ILSLEY: Colchester-Hants.

Mr. BENNETT: Yes, thank you. I do not recall them as well as I used to. Then, as to Prince Edward Island, there is a constitutional limitation upon the number going below the representation in the Senate, namely four.

There is a final argument which, I think, should have some influence with the government. With all these, shall I say consents and agreements, made not because it was felt that it was absolute justice but because it was believed it was the best thing that could be done under the circumstances, the House of Commons was asked to adopt the report. If hon. members will look at the report they will find that we told the house frankly of the difficulties. The Minister of Justice felt that the province of Quebec had not been fairly redistributed, and he made a statement to that effect with respect to some counties. I confess I am not in a position to express an opinion about that, except that the

general agreement arrived at was that while in places there were anomalies, nevertheless it was the best that could be done in the circumstances. Is not this the answer? When that redistribution was finally put to the house for third reading, out of 245 members, fifteen voted against it. That is not bad, is it? Fifteen remained here on May 27 to vote against that bill on its third reading. Here are their names:

Messrs. Boulanger, Casgrain, Chevrier, Deslauriers, Fafard, Ferland, Sir Eugène Fiset, Gardiner, Mackenzie King, McIntosh, McKenzie (Assiniboia), Malcolm, Motherwell, Séguin, Stewart (Edmonton West).

Some of us felt that there is such a thing as ingratitude, having regard to one name I mentioned, that of the hon. member for Melville, when it is recalled what we did in an attempt to meet his wishes, based not on anything other than what one might call the friendly consideration of men for an hon. gentleman who had been for a long time a member of legislatures and parliaments.

Mr. McLEAN (Melfort): How many voted for it?

Mr. BENNETT: Forty-five.

Mr. McLEAN (Melfort): Out of 245.

Mr. BENNETT: Yes; because they were satisfied, they did not see fit to come here and protest. One has only to look at the record. They were here; they heard the speech of the Minister of Justice; they need not have gone home; they could have stayed and recorded their vote against the report. Fifteen out of 245 voted against it.

Mr. LAPOINTE (Quebec East): May I say a word?

Mr. BENNETT: Certainly.

Mr. LAPOINTE (Quebec East): I was in the house, because I made a statement, but I am not recorded as among those voting, the reason being that I was paired with the then Minister of Justice. He was satisfied; I was not satisfied but I could not vote.

Mr. BENNETT: The minister knows that I am stating the position very moderately when I say that the interest in the matter narrowed itself down to a very few people indeed. We endeavoured to meet the views of the present Prime Minister, and I think we did it fairly well. I recall distinctly I myself took a hand at the map at the time, and the same may be said with respect to others.

I shall content myself with merely stating these facts. There can be no denial of them or of their accuracy. If we desire to have an absolutely just redistribution bill where every man's vote has equal weight, it will make a very great change in this country to the detriment of the rural population, and I think that would be unfair. I believe it is sound to depart from a fixed rule of 44,000 for each seat. I could give the populations, but I conceive that to be wholly beside the question. To do at this time what the resolution proposes would be to concede the right of this parliament to pass a new redistribution bill. I am not discussing the legal side of the matter, but I do say that the constitutional practice as crystallized by succeeding governments since confederation is that they have never endeavoured to pass a second redistribution bill. So far as any expression of opinion would constitute a guide it certainly was the view of the leaders of confederation, of Macdonald, who was alleged to have gerrymandered in 1882, I think it was, and of his successor in office, that parliament was more or less functus officio as a constitutional institution when the redistribution had been completed.

See what we are being asked to do. We are asked to say that after every election the successful party can come in and with its majority gerrymander the constituencies, if necessary, regardless of the fact that certainly not more than one redistribution bill is contemplated by constitutional practice. Parliament always has power to repeal a statute that it has passed. The British parliament is constantly asserting that right, but we are being invited to take a desperate position, one which I think the hon. gentleman who moved this resolution should think over very carefully and, I would hope, abandon; for he cannot ask us to deal with individual seats; we must deal with them all. Right here in Ontario what we did to prevent what I call racial animosities in connection with those seats will find no justification except the purpose for which that action was taken. We knew they could not be Conservative seats; there was no question about that, but rather than endanger the situation and engender strife I was advised—and the House of Commons took the view—that it was perhaps desirable to leave those small seats with members in rural communities, and let that great peninsula in western Ontario—I think Welland is the name of it—be represented by at least two members too few. I knew that was not

in accordance with the theory that each vote has equal weight, but I could go over all the constituencies, indicate the population of each and point out the anomalies that exist.

I say, Mr. Speaker, that it will be found very difficult to arrive at any conclusion based upon a harmonizing of rural interests and urban claims and the maintenance of some regard for county boundaries, and even approximate any realization of the hope that each vote is to have equal weight in a redistributed country. So, although I know the government have a majority; although I know they have the power; although I know it is alleged that promises have been made, I put this to the Minister of Justice, as the chief law officer of the crown: 1. By constitutional practice has there ever been any interference with redistribution bills except for the purpose of correcting errors? 2. Have we not always had regard to county boundaries? 3. Have we not made a sharp distinction between the number of electors that should be comprised within rural areas as compared with urban areas? 4. Is it desirable, as a matter of public policy, apart from constitutional practice, because a government has come back with a large majority, to have not the minority but that majority complain that the redistribution which sent them to this house was bad? That must be a thought for consideration.

I have no suggestion in the world that this was a perfect redistribution bill. I said in the house three or four years ago that I knew its weaknesses, and I know them now. But I say to members of this house that if they set up a new committee they will find that such a committee, if it is to give effect to the motion now under discussion, will change the whole personnel of parliament; for rural populations then must find themselves grouped together without regard to county boundaries, and urban representation must be increased to a point that certainly will be offensive to the rural electors of this country.

There is just one thing I desire to say to the hon. gentleman who moved this motion. Surely he does not think, when I made the suggestion that we could not have an election until after redistribution, we had any idea as to what the redistribution should be, in dealing with the question of the Ottawa agreements. That was one isolated sentence which he took from my remarks, and I think in fairness he should not have done so. When he suggested that I pointed out that if we could not agree we would have to have recourse to brute majority to wind up the matter because we could not delay it any longer, he overlooked the fact that my one plea was that we might be able to reach an agreement and obviate the necessity of the majority enforcing its will upon the minority. Those who have read redistribution discussions in other years and who have compared them with the result of our efforts in 1933, not saying that the bill is good or bad, but with regard to the unity of the committee, I feel certain will have to conclude that the measure of success which attended their efforts was very much greater than or at least as great as that which attended the efforts of committees in previous years. In South Africa they make the redistribution by a commission. In England it is done by judges. In Canada the Liberal party was of the opinion that it might be done by a committee of the house; Sir Wilfrid Laurier was certain that it might be properly done in that way. I think if members of this new House of Commons understood the effort and the time that men devote to an effort to arrive at unity, they would realize just what is involved in a resolution of this kind.

I can only ask the government, with all the conviction of which I am capable, not to open this dangerous question on the basis of the terms of this resolution. If I were to speak politically I can only say that if the motion now before us is carried, nothing would be more beneficial to the party with which I am associated. That is, if equal weight is to be given to every vote in Canada, and justice, in the sense in which the hon. member has used that word so frequently, is to prevail, that would be the net result.

Hon. ERNEST LAPOINTE (Minister of Justice): Mr. Speaker, my right hon. friend (Mr. Bennett) has summarized his argument by stating four points, which are the basis of his appeal to the government in this matter: First, the constitutional practice which has always been followed, that only after a census has been taken should a redistribution take place; second, respect for county boundaries; third, the question of rural and urban quotas of population, as they should be determined; and fourth—and this one is a little less serious—that it would seem unnatural on the part of those who sit on this side of the house to change a redistribution which has served to elect them.

Of course, replying to the last point first, I might say that possibly many hon. members on this side were elected not because of the redistribution but in spite of it.

Mr. BENNETT: That is a very old statement.

Mr. LAPOINTE (Quebec East): Yes, but it is eternally true when statements like these are made. I am pleased indeed that in his argument my right hon. friend this afternoon and this evening did not go as far as he went last year or as far as some of his followers have gone even to-day. The hon. member for Davenport (Mr. MacNicol) said it would be a violation of the British North America Act to change the redistribution of seats as it was effected in 1934. I do not wish to repeat what was said by the hon. member for Champlain (Mr. Brunelle) or the hon. member for York North (Mr. Mulock), but I must point out that section 51 is not the only section in the British North America Act which deals with this matter. Sections 40 and 52 deal with it; section 51 merely makes it compulsory after every census to have a readjustment of the seats of the House of Commons for the various provinces.

At page 297 of Clement's Canadian Constitution I find:

> This section 51 applies only to the readjustment of the representation of the provinces as between themselves, and has no reference to the boundaries of the electoral districts in each province, and it would appear therefore that the readjustment, under this section, is a matter merely of mathematics. The wording of section 52 bears out this construction, indicating as it does that the "fixed quantity" in the scheme of representation, is the proportionate representation of the provinces. The electoral districts may be altered at any time (section 40), and the total number of members increased (section 52), by the parliament of Canada.

My right hon. friend said that Sir John A. Macdonald—

Mr. BENNETT: If it does not interfere with the minister's argument, I should like to ask a question.

Mr. LAPOINTE (Quebec East): Very well.

Mr. BENNETT: What I was going to point out was that he does not mean that you can increase the representation at any time; his sentence might leave that meaning.

Mr. LAPOINTE (Quebec East): I understand that. May I quote to the house the words of an eminent statesman who was at one time Prime Minister of Canada, and possibly the most distinguished Minister of Justice the dominion has ever had. I refer to Sir John Thompson. Discussing the question of redistribution on June 2, 1892, he made the following statement, as reported at page 3262 of Hansard of that year:

> When we come to section 51, on which the hon. gentleman based his argument—

He was replying to Mr. Davies, who became Sir Louis Davies, Chief Justice of Canada.

[Mr. Bennett.]

—we come to a section which, I contend, is not a section framed for the purpose of conferring power upon this parliament to redistribute the seats, but a section compelling parliament to do it after the completion of each decennial census. Section 51 is not an enabling section, because we had the ability before; it is not a disabling section, because certainly, before we are to conclude that it takes away from us powers which are given to us by section 91, we must find express words that do so. If by section 91 of the act we have all powers given to us in relation to passing laws for the peace, order and good government of Canada, we are not to interpret the act or any part of it as taking away any fraction of that power unless we find words which can receive no other interpretation. But the obvious interpretation of section 51 is that it shall be the plain duty of this parliament at the end of every decennial census to readjust the representation, and then it goes on to say "by such authority, in such manner and for such time as the parliament of Canada from time to time shall provide." If my view of section 51 is correct, that it is not a section under which we derive our general or specific power over this subject, then all ambiguity is removed, and it simply enables us to do that work which is enjoined on us and made compulsory by that section at the close of every decennial census, by some other authority, if we please, as for example, by the provincial legislatures or otherwise. But the hon. gentleman, in order to give effect to the paraphrase which he made of the section, as to settling a principle not permitting a majority to take advantage of a minority, and all that class of expressions which he used, gave, as his own argument implied, a very vague and obscure meaning of the words relating to "such authority, and in such a manner and for such time as parliament shall establish." I repeat very shortly what I have said on the construction of section 51. I contend we had the power before section 51 and outside of it altogether; that we are not to interpret section 51 as taking away from the general power or making any repugnance in the act, and that, above all, the section is not to receive that construction unless that construction is plain and necessary. But if it were intended by the parliament that passed this statute that, although we should have the power to increase the number of members of this house—and that is another point against the hon. gentleman's argument, that there is power given to increase the number of the house from time to time, provided the proportion of representation is not disturbed as laid down by the act—the question of redistribution is something we are prohibited from doing, there is not in the whole act from beginning to end a single negative provision as regards the right of this parliament to do that work. But the construction of the whole act, unless the hon. gentleman is to read into that section which applies solely to the decennial census, unless the hon. gentleman is to read into that section negative words which are not there, comes to this: That while this parliament may redistribute at the term of every parliament, or from year to year even, yet when it comes to the decennial term we have not the power to redistribute the seats at all.

I believe that so far as the power of this parliament to act is concerned, it cannot be successfully challenged. Of course I am not saying that we should proceed with it. I shall give my views in that connection.

Mr. BENNETT: I did not contend that we had not the power. I suggested that it was contrary to constitutional practice to exercise such power.

Mr. LAPOINTE (Quebec East): I should not call that constitutional practice. I may say it has been the practice of parliament not to do it, except to change some of the boundaries at various times.

With regard to the redistribution of 1933—and I must refer to it, because if I discuss the question of county boundaries and rural and urban representation I must come to what was done at that time, and I may say that if I were in the same mood as I was in the month of May, 1933, my words would be much stronger than they will be to-night—

Mr. BENNETT: Your office has changed.

Mr. LAPOINTE (Quebec East): Much water has passed under the bridge since then, and I have had a long time to cool down. I believe that if we are to keep our present method of effecting a redistribution of seats it should be done as much as possible through agreement not only in one or two provinces, but generally. I shall not speak for the other provinces, but I am sure my right hon. friend is not well aware of the situation in Quebec. He was very, very busy at the time of the redistribution, and I would excuse him for not having known every particular change that was made. But I must say that, so far as Quebec is concerned, it was an outrageous piece of legislation that was adopted by the house. My right hon. friend said that we should respect county boundaries. I am more familiar with the Quebec district than I am with other sections of the province. There are between twenty-five and twenty-six seats in this district and the boundaries had never been changed before. When it was necessary to divide a large constituency, two other constituencies were united in order that the change might be made. I might say to my right hon. friend that after 1933 only two constituencies were left with the county boundaries the same as they were before the redistribution. All the others were changed, and I may say in a manner based only upon party expediency. My right hon. friend referred to urban and rural populations and the consideration that must be given in arriving at the unit of representation.

Reference was made to the county of Levis, which is perhaps one of the most glaring instances that might be mentioned. This county had a population of 38,000. As far as I can remember, the unit of representation was 42,000. Levis should have been left as it was, but what was done? It happened that on the eastern side of the county there were two or three very strong Liberal centres. These were taken from Levis and added to Bellechasse. Bellechasse did not need these additions as it was quite strongly Liberal. On the western boundary other Liberal strongholds were taken from Levis and added to Lotbinière. This was another case of carrying coals to Newcastle, as they were not needed in that riding. The final result was that the unit of representation in Levis was reduced to 27,000.

But actually the situation is worse than this. Levis is actually an urban constituency. The principal centres in the riding are Levis, Lauzon and Etchemin. The hon. member for Dorchester (Mr. Tremblay) referred to what had happened in connection with his own constituency. My right hon. friend referred to this riding as "small Dorchester." This riding was made still smaller by taking certain Liberal centres away from it and putting them in Beauce. My right hon. friend says that the number of seats in the rural sections of the province will have to be reduced.

Mr. BENNETT: Not if the principle applies which I have suggested.

Mr. LAPOINTE (Quebec East): The number of seats allotted to the cities of Montreal and Quebec could have been left as they were, and the rural seats could have been dealt with in a reasonable and normal manner instead of being changed as they were. Take the county of Montmagny. The counties of L'Islet and Montmagny did not have sufficient population to equal the unit of representation. The boundaries of these counties should have been left alone. But there were two Liberal strongholds on the western boundary of Montmagny at Berthier and St. Francois. These were taken from Montmagny and added to Bellechasse. The hon. member for Bellechasse (Mr. Boulanger) has been very lucky. On the eastern boundaries of L'Islet there were four or five very nice places from a Liberal point of view. These were taken from L'Islet and added to Kamouraska, where they were not needed at all.

The right hon. leader of the opposition stated that we must have been satisfied as only fifteen voted against it. I think the

reverse is also true; there were not many who were satisfied with it as only forty-five voted in favour. I refer hon. members to page 5578 of Hansard of May 27, 1933. It will be noted that there were forty-five yeas and fifteen days. But there were eighty-five pairs mentioned. This vote was taken just before prorogation and many members had paired. I am pleased to note that my name is among the pairs, but the fact is that it was my pair who was not present.

Redistribution is a very important matter and I agree with my right hon. friend when he says that it would be unfortunate if the constituencies were changed every year. I think what I have stated makes it quite clear that there is some defect in our system. It certainly is not a fair and just system when it permits the things to be done that I have mentioned. My right hon. friend says, "Of course, you have a majority and you can do what you like." That is what he said at that time, that he had a majority and could put it through.

Mr. BENNETT: That is not the way it was put. We said that we regretted that we were unable to agree and we would have to do it. That is an entirely different matter.

Mr. LAPOINTE (Quebec East): I must repeat that I was not very well pleased at that time.

Mr. BENNETT: I know that.

Mr. LAPOINTE (Quebec East): I have a very vivid memory of what happened. It has been suggested quite frequently that some new method should be devised to deal with this most important matter. It has been suggested that this should be done by some impartial court or tribunal. My right hon. friend has referred to the difference in the unit of representation in urban and rural constituencies. These main points should be fixed by parliament, but the work of arranging the seats so that the final redistribution will conform to the principles adopted by parliament should be done by a body other than a committee on which the majority would have its own way. The latter method is certainly not fair. In Australia redistribution is carried out after every census by a body of three, consisting of the chief electoral officer, the surveyor general, and another officer whose position at the moment I do not remember.

Mr. BENNETT: He is an appointee.

Mr. LAPOINTE (Quebec East): An appointee of the government perhaps; I accept the statement of my right hon. friend. It was for this reason, Mr. Speaker, that last year when a similar resolution was placed on the order paper I gave notice of a motion, which I introduced later and which was adopted, to send to the committee on elections, which had then been constituted as it is now, the question of studying the various methods adopted in other countries, to investigate and make a report as to the desirability of changing our system of effecting redistribution in Canada. I still believe that this should be done first, without, however, saying that the rearrangement of the boundaries of the constituencies should not be made so that at least some glaring injustices might disappear. But that could come later. The first step I think should be for the committee on elections to make a survey and a study of the principles which should be adopted in making a redistribution in order to be fair to all parties and to all the people of Canada. As I think this is the best way to proceed, if my hon. friend the mover of the resolution consents to withdraw it, I shall give notice immediately of the same motion that was adopted last year so that the method of redistribution should first be studied by the committee on elections.

Mr. J. ETIENNE DUSSAULT (Levis) (Translation): Mr. Speaker, I have a few words to say on the resolution that was moved the other day by the hon. member for Champlain (Mr. Brunelle). In 1867, the member for Levis was Mr. Blanchet, who later became Speaker of the House of Commons. He represented the constituency for more than twenty-five years. He was the grandfather of the minister who represented the Quebec district in 1933, when the redistribution took place. In 1867, at the time of confederation, Hon. Mr. Blanchet, member for Levis, gave that constituency exactly the same boundaries that it had prior to 1931. Nobody had ever suggested or even thought of changing these boundaries. In 1933, his grandson deemed that the constituency where his grandfather had been returned for twenty-five years should have entirely different limits. He decided that several parishes which were liable to vote in such a way as to hurt the Conservative candidate to any extent should be taken away, and they had to draw out new boundaries.

I would not have protested against these changes, I would have understood that a majority had a right to govern and to allot to the various constituencies the limits which could assist their election, but in the case of Levis there has been a crying injustice, against which I deem it my duty to protest. Not only did they draw out limits for the

county, but they put too many of them. In order to show the house what they have done there, allow me to use the electoral map of the constituency. Here is the county of Levis such as it was redistributed. You have here, at the top, in the north, the St. Lawrence river. In the south, the part that was cut off represents parishes which were all situated in the county of Levis, and which were taken away from us. I submit that the constituency of Levis was too much reduced. Everything that you see here is actually in the county of Bellechasse. The boundaries of the county of Levis would be appropriate; Bellechasse would be south and east, Lotbiniere west and the St. Lawrence river north. And is that all? No it is not all, for there remains the lone parish of Breakeyville which is entirely outside the county. As a jig-saw puzzle, I would ask my neighbour, the hon. member from Lotbiniere (Mr. Verville) to find a place for this parish as represented by this piece of paper, anywhere and how he likes, without using this other piece of paper which represents the county of Lotbiniere. It is a hard task. You just have—I almost missed it—to add here the county of Lotbiniere, just like this, and there, Breakeyville, and you have it. Without using this piece which represents part of the county of Lotbiniere, you cannot find a place for Breakeyville in that jig-saw puzzle that is now the map of the county of Levis.

Then there is the constitutional and legal standpoint, but I wonder whether anybody has a right to introduce into a constituency a parish that is not touching it at all. You could take an island right in front of a constituency, let us say Ile aux Grues, for instance, and say: The people of Ile aux Grues will vote in Montmagny. But you say to the people of Breakeyville in the county of Bellechasse who live inland, a mile away from the county of Levis. You shall vote in the constituency of Levis. Is that legal? Yes? Very well then. But why don't you say to the people of Maisonneuve: You shall vote in Levis? It is only a matter of distance. When people are absolutely outside a county, one mile away from Levis, and when to get in there they have to go through an adjoining county, namely that of Lotbiniere, or Bellechasse, while being still voting in Levis, I wonder why they are not compelled to go through three or four counties, and be given the right to vote where it will be the most convenient for the party. In this way you can fix anybody's election, and pick the winner. During the war, votes were sought elsewhere; here, they get them in Breakeyville. Whether you get them from the Breakeyville ballot-box or from the soldiers' ballot-box, it amounts to the same thing.

How did this parish of Breakeyville, after being added to Levis, happen to be outside that county? It is because there lies between Levis and Breakeyville the parish of Saint Jean Chrysostome, which formerly belonged to the county of Levis and is now part of Bellechasse. Some might say: It is a Liberal parish, so you need not complain. It is a Liberal parish, that is true, but Saint Jean Chrysostome is still more Liberal, and that is why it was included in Bellechasse. On the electoral map it is still shown as Saint Jean Chrysostome de Levis. Why was it not left in Levis, since it is called "of Levis"?

From the standpoint of geographical conditions, and of roads, from a common sense point of view, consider the position of the Saint-Jean-Chrysostôme people. The church of that parish is exactly a mile and a half from the church of Saint-Romuald. Saint-Romuald is the chief town of the county of Lévis. The people of Saint-Jean-Chrysostôme lived a mile and a half from the chief town of their county. Now that they have been included in the county of Bellechasse, they must go to Saint-Raphaël, chief town of their new county. They must travel to Saint-Romuald then to Lévis, they must go through Lévis and Lauzon, continue to Beaumont, the first Bellechasse parish along the shore; after that, they travel inland to the chief town of the county of Bellechasse, that is Saint-Raphaël seventeen miles farther through the county. People who were living a mile and a half from the chief town of their county are now compelled to travel a distance of twenty-seven miles and a half in order to reach the chief town of their new constituency.

After listening to the address of the right honourable the leader of the opposition (Mr. Bennett) I feel diffident in explaining to the house the case of Lévis. There has been everywhere so much suffering, so much dissatisfaction, as he said, that matters like this ought not to be brought up at a time when there is so much grumbling and wrangling; it might be the prelude to more quarrelling. If, in order to avoid quarrels, the blows must always fall on the same people, it seems to me that it is much preferable, to fight in dead earnest and not only to receive blows but to give a few in return.

I would ask that boundaries be laid out for the county of Lévis, but they should be such so as to make it possible for the people of Lévis to travel throughout the county without going through other counties, so that

they may not have to go by way of the county of Bellechasse. Let all the parishes in the constituency be comprised within a continuous boundary.

After listening to what was said by the honourable members who spoke before me, I deem it my duty to state the wrongs which my constituents are suffering and to request that they be remedied.

Mr. A. W. NEILL (Comox-Alberni): Although I was one of the sufferers from the redistribution bill of 1933, I had not the least intention of taking part in this debate until I heard the leader of the opposition (Mr. Bennett) make the statement—I was not paying strict attention and he will correct me if I am wrong—that the British Columbia redistribution was agreed to unanimously.

Mr. BENNETT: No; it was agreed upon by the committee.

Mr. NEILL: By all the British Columbia members?

Mr. BENNETT: I did not say that.

Mr. NEILL: Someone behind me says that it was by the members generally. In spite of that I wish to absolve completely of all blame, from my own point of view, and not speaking for anyone else, two members of the house. One is the leader of the opposition and the other is the chairman of the committee, the hon. member for Leeds (Mr. Stewart). It was common gossip at the time around the corridors—and such gossip generally has some basis of truth—that the Prime Minister of that day, now leader of the opposition, had repeatedly expressed the desire that there should be a fair agreement and that there should be nothing in the nature of compulsion, and the chairman of the committee was also all that could be desired. Personally he gave me every consideration that fairness could demand. Where the mistake was made was in allowing local groups in the different provinces to dictate the terms. The main committee would have been fair, because the Conservatives in Quebec would have seen that the Liberals in British Columbia got a square deal, and vice versa. But the matter was left to local politicians, and personal prejudices came in, so that a man could get a fine chance to have his enmity, political or personal, vented without appearing to be too keen. That is where the trouble came in.

As regards the district I represent, any action that I could complain of was not in gerrymandering certain classes of voters into or out of the district. The harm that was done, the unfairness of which I complained bitterly, was that they added an enormous area to a district which it was already impossible to canvass in the course of an ordinary election. Possibly a greater wrong was done, so far undoubtedly as my district was concerned, under the franchise act, which made no provision for what I might call the transient vote, and in connection with that other section in the act which made it possible to hold an election within twenty-one days, which would have meant that eight-tenths of my district could not have been canvassed at all. To give the leader of the opposition credit, he removed the causes of both these grievances. He allowed the introduction of the absentee vote, which, while it was not carried out in the spirit in which it was initiated, did substantially redress a good deal of the injustice in that regard, and by means of the arbitrary power in fixing the date of the election he gave us more time than was usually allowed under the old act. We had, therefore, reasonable time in which to canvass the district. Consequently in that regard I have no complaint.

The suggestion, however, that the British Columbia members acquiesced in the arrangement in a sense touches my honour and I must contradict it, because I went home and told my people how I complained of the action of the legislature. I cannot afford, therefore, to have it said now that its action was in any way agreeable to me. The vote will show that I was paired against it. But it may be said that I signed an agreement, and I have no doubt the document can be produced to show that I agreed to accept this redistribution. Yes, that is so; I did sign it, and I went further than that, although it was not written in the bond. I agreed not to attack the government on the subject in the house. It will be said that I was cheerful and happy; that I acquiesced in the redistribution. Well, that depends on what is meant by acquiescence. If a footpad shoves a revolver into your spine and tells you to hand over your purse and you hand your purse over to him, it is not competent for him to say afterwards in court, "Your action was a voluntary one; I did not take the purse from you; you handed it over." That is a parallel illustration. Certainly I signed accepting the redistribution. Why? Because I was told in the most positive terms that could be conveyed to me that it was either that or take a great deal worse. Half of British Columbia was to be added to my district unless I took the portion doled out to me, and I thought it was better to take what I got than to be a martyr and have a vast area forced upon me. The British Columbia members are familiar with that phase of the matter. It was through no voluntary action on my part that I agreed to that redistribution.

The leader of the opposition predicated a great deal of his objection to the resolution on this. He said that if we adopted it, the one man, one vote idea would necessarily follow. That is to say, an equal value would be given to every man's vote.

Mr. BENNETT: That is what the resolution says.

Mr. NEILL: I cannot see that the resolution says that. It says "a more equitable readjustment"; it does not say you are going to have the same unit in the cities and in the rural districts. Ever since confederation, almost, there has been a different and smaller unit allowed for the country than for the city. I cannot see that it is at all necessary that they should be the same if this resolution is accepted.

Other reasons given by the leader of the opposition, however, have more weight. It is very questionable perhaps whether it is wise to have a redistribution in the middle of the term. That is a matter of opinion. For my part I shall be guided a good deal by the wishes of my friends from Quebec, who gave me loyal support when I was in trouble in the redistribution, and while I am not particularly keen on the matter myself I am willing to defer my judgment to theirs.

Mr. MALCOLM McLEAN (Melfort): Before this motion is dealt with I must say a few words in fairness to the people I represent, among whom this redistribution of three years ago was a burning question for the two years before the election of 1935. The constituency of Melfort is not an old one like many of those in Quebec about which we have heard to-night, but for nearly twenty-five years the base line which formed the south boundary of Prince Albert, out of which Melfort was later carved, was not changed by any government of any stripe of politics. There was a reason why the constituency should be reduced in size, namely, that the population had increased perhaps to a greater degree than in many other districts in Saskatchewan. I know it is difficult to make a redistribution satisfactory to everyone. But when one looks at the map, what was done with that constituency?

Mr. HEAPS: We cannot see it.

Mr. McLEAN (Melfort): Well there are larger maps printed on which hon. members can see it, and it will show to greater advantage—or disadvantage. On the east side a great piece of territory sixty by five hundred and fifty miles was taken off the constituency of Melfort and added to Mackenzie. Now there was no community of interest between those two pieces of country. Heavy timber separated them. There was hardly any transportation possible by road, and transportation by rail was inconvenient because railway service was given by a new branch line on which there was no regular passenger train. For some unknown reason, however, that eastern and northeastern part of the constituency of Melfort, comprising new farming country, timber land and mining and fishing country, which had always been tributary to the area, was torn from that constituency and added to the almost purely farming constituency of Mackenzie, making it extremely difficult for the member for Mackenzie, no matter how active he might be, to get around among his people. One of the complaints of the people in that area was that almost all their community of interest was bound up with the older part of the Carrot River valley, from which many of them came. I admit that part of the constituency of Melfort might have been taken and added to some other, but there was no reason why that large territory on the east should have been taken.

Then in the southwest part, looking at this map hon. members will find another series of steps and stairways, poll separated from poll just as they happened to reflect political opinion in the election of 1930. The leader of the opposition (Mr. Bennett) used the argument a little while ago that it ill befitted those who had come back to office in spite of this redistribution to complain of it. I would say that the time to think of that was in 1933 when those who had come into office should have been reasonably satisfied as to a fair division of territory. In the southwestern part of the constituency of Melfort there were, as I say, lines drawn between polling subdivisions according to the way they voted in 1930. It will be found that within a couple of miles of four or five of the principal towns along the one main line of railway in the western part of that constituency, the territory was taken away and added to the constituency to the south. People naturally wanted to go to vote in the towns where they had been doing their business and where their connections were. To those who had been taken out of the territory in which they had been all their lives, reasons were advanced that I am not going to recount for putting them where they were put. But they were amazed and astounded to think that any government would do that to them without fair and adequate reason.

Then on the northwest side of the constituency two ranges were taken off the area of Melfort and added to Prince Albert. The people generally, who had been to some degree disfranchised because of the changing of the community of interest of which I spoke, were of opinion that if there had been a constituency inhabited mainly by Eskimos in the northern part of the same territory, the northern part of Melfort would have been put in with them.

Like the Minister of Justice (Mr. Lapointe), I and the people I represent are not nearly so hot about this now as then, because much water has run under the bridge since and time has allowed our feelings to subside. But it would not be fair for me to allow this resolution to be disposed of without adding my protest, seeing that I am strongly in favour of what it calls for:

> That the Representation Act, 1933, should be amended in such manner as to bring about a more equitable readjustment of the representation in the House of Commons and to effect thereby a more just redistribution of Canada's electoral districts, and that a special committee be appointed to study this matter.

As I said, I know it is a difficult matter to be fair and just to all, but in the case of constituencies such as those I have mentioned, where the area had to be cut down on account of the increase of population, if the lines were drawn straight, commencing at one point and going through to another, then there could be no particular charge of unfairness. But when one finds the territory cut and carved, no straight lines anywhere, but lines drawn for a certain distance, then going almost to the end of the settled part of the constituency, then going straight again in another direction, it is no wonder that on all sides the people of that territory were convinced it was not fair. I might say that, regardless of politics, many supporters of the parties opposite me were about as indignant as the supporters of the party I represent. They would be satisfied if a fair division were made, and that is all I ask for.

Mr. CAMERON R. McINTOSH (North Battleford): Before this resolution is dealt with, I think it is in order for me to make a few remarks in connection with the redistribution—or I should say maldistribution—which was effected in 1933. If I remember correctly, the committee was set up in 1932 and the redistribution carried out in 1933. The resolution I think reads quite rightly. There are three main points in it. The first is equitable readjustment. Just a readjustment is required, not a general redistribution; that is plain. Second, by this readjustment a more just redistribution of certain counties and electoral districts should be effected. Third, it should be done by a committee of the house.

Before the resolution is sent to the committee, may I draw attention to the situation which at present exists in the Battlefords and North Battleford. I think the committee in 1933 was fairly well selected from the house. It represented all groups in the chamber; the committee was large in numbers, and from a parliamentary point of view the results ought to have been satisfactory. But they were not. I understand they were not satisfactory in the maritimes, not satisfactory in Ontario, not satisfactory in Quebec or British Columbia, and they certainly were not satisfactory in the middle west.

With regard to the work of the committee, Mr. Speaker, in a general way I am in accord with the view presented by the hon. member for Comox-Alberni (Mr. Neill), when he referred to the matter of provincial interference. What we in Saskatchewan find fault with is the fact that practically all the steps taken by this committee in 1933 were decided by political log-rolling in the province the year before. I understand that practically all the steps were settled by a committee representing the Conservative party in Saskatchewan, which came to certain decisions with regard to that province, and it is my understanding that in regard to North Battleford and The Battlefords, these decisions were never changed by the house committee here at Ottawa. When the results became known, representations were made to these men back in Saskatchewan, but they would not budge, and because they would not budge the committee here was hopeless. So the thing went through, and a sorry situation developed.

As far as the riding of North Battleford is concerned, when I as the member for that constituency discovered the situation which confronted me in my riding, before I left Ottawa I made up my mind that I would go home and challenge the decision of this committee by giving the facts to the people. I went home, and I think perhaps I was the first member of the house to hold a primary convention of electors; I put the matter into their hands and let them decide what ought to be done. When I did that I received the nomination for my old riding of North Battleford, which had been carved up and cut to pieces to such an extent that those who made that decision figured that it would be impossible for me ever to get back into the House of Commons.

There are just one or two further points I should like to present with regard to the riding of North Battleford, and after this is done I shall be through. This is one thing that was done: The name "North Battleford" was removed from the electoral list of the dominion. That was one decision which was arrived at. The names "Battleford" and "North Battleford" are as historic as any names that will be found in western Canada; notwithstanding this the name "North Battleford" was absolutely wiped off the electoral map of Canada. For what purpose was that done? There is only one purpose for anything like that. That was a straight gerrymander, the destruction of an old, historic name, and it was done for one purpose only, to defeat the member for that riding. But, as I have said, I placed all the facts before my electors; they soon decided what to do, and the fight was on. When the election was over I was still the member for the constituency of North Battleford.

Mr. SPENCE: I thought the name was wiped out.

Mr. McINTOSH: The name was wiped out, and so were the Tories. But I want to be fair to the right hon. gentleman now leading the opposition (Mr. Bennett). When the matter was brought to his attention in the house and he found out, I think perhaps for the first time that the name "North Battleford" had been destroyed by the committee, he took action. As member for the riding I rose in my place in the house and made representations to the right hon. gentleman to have that disgrace remedied, and he was man enough to rise and move to have the name "North Battleford" retained. That is the only reason why we have that name on the electoral map of Canada to-day.

What was done in order to gerrymander the riding of North Battleford by this organization within Saskatchewan representing the Conservative party in that province? I happen to live in the city of North Battleford, where I have been in business for twenty-five years. My home is there. The city of North Battleford and about fifty polls running along the North Saskatchewan river were taken out of the riding of North Battleford and thrown into the southern portion of the province. The southern part, that is, the part south of the North Saskatchewan river, is the Battleford area which always belonged to the old town of Battleford and, as far as I can see, should still belong to it. Later, when the west became more thickly populated and development was proceeding northward, North Battleford developed as a great trading and distributing centre, and to-day it is a city of six thousand people—a business centre for the great northland beyond. Since the time North Battleford started to grow, there has been a riding of North Battleford, separate from the old riding of Battleford. When the report of this redistribution committee was brought into the house, as I have said the name "North Battleford" was destroyed, and they had no name for the riding south of the river. When the matter was brought up in the house they were going to call the southern riding by the old name of Battleford.

Well, Mr. Speaker, I drew the attention of the leader of the opposition to the fact that he could not very well call it Battleford, the old name, because following the change that had been effected the city of North Battleford was in the old Battleford constituency, and consequently it would be necessary to have that name changed to "The Battlefords". That is how the name "The Battlefords" came into existence. It is an entirely new name. The old name was "Battleford." The new name is "The Battlefords" because the two Battlefords are in the one riding, a gerrymandered one.

Just understand what has been done, Mr. Speaker. To-day we have a riding called North Battleford, and we have the city of North Battleford gerrymandered out of that riding. It is not in the riding at all. Surely that is all it is necessary to say in order to let the people of Canada form a clear-cut judgment as to what was done to North Battleford as a riding in 1933. The like of it was never duplicated in the electoral history of this dominion, and I hope it will never happen again. It was absolutely unfair. As far as I am concerned I am not afraid to go back and be reelected for the riding for which I was elected at the last election. I desire to make that clear. I am not making these remarks because there may be any political advantage for me in the change. What I am concerned with is the fact that the city in which I live, North Battleford, is out of the riding of North Battleford which I represent in this house. If you can beat that for a gerrymander I should like to have you do it.

So, Mr. Speaker, I say that this matter ought to be sent to a committee where it could be thoroughly investigated and reported upon as soon as possible. I would say also that certain boundaries—I am not going to say how many, or where—ought to be changed and that a readjustment ought to take place. The sooner that is done the

better it will be for the honour of this chamber and also for the honour of those who were members of this house when this gerrymander took place four years ago.

Mr. WILFRID GARIEPY (Three Rivers) (Translation): Mr. Speaker, I have a few remarks to make on this resolution, and I wish to make them in French. Hansard will publish an English version for the benefit of those who do not understand our language. The hon. the Minister of Justice (Mr. Lapointe), the hon. member for North Battleford (Mr. McIntosh), and the hon. member for Melfort (Mr. McLean) stated that they had cooled down since two or three years and that they had forgotten the injustice that had been done to them. It seems to me that it is not exactly the attitude which this house ought to adopt to-night. If there has been a crying injustice, it should be corrected. Democracy cannot be maintained unless the people be normally and fairly represented.

(Translation) I listened a moment ago to the right hon. the leader of the opposition (Mr. Bennett), and he showed himself just as I have known him to be for the last thirty-five years, namely a better lawyer than a statesman. He found plausible excuses for the gerrymander and the establishment of rotten boroughs, so much so that I was wondering whether the claims that had been put forward had not been exaggerated. We hear the same kind of complaint from every province. The leader of the opposition, in order to draw in the Quebec votes, or to allay his own feelings or his resentment, mentioned three or four Ontario constituencies which are electing members of French origin or name; but he did not speak about Nipissing, in the same province, which has a population of over 80,000. Take Argenteuil, with a population of 16,000, compared to Drummond-Arthabaska, whose population is 52,000; Nicolet-Yamaska, with 42,000, as compared to Levis, with only 26,000. And the leader of the opposition, affecting the simplicity of a good decent boy, comes here and claims that he was acting in good faith, that he did not know they were preparing a nest in Argenteuil for one of his colleagues, and another one in Levis, and that a certain number of safe seats were created in the province of Quebec, in order to have a handful of tories in Parliament after the elections of 1935.

Insofar as I am concerned, my mind is made up, and, in rising to speak, I am thinking even of Three Rivers where they cut the old traditionally liberal county in two, by taking only the city of Three Rivers, and adding to it seven parishes that, save one, never voted otherwise than for the most avowed conservatives. They thought that in that nest the man that they since appointed as a member of the Senate could have been reelected as a conservative candidate.

Mr. Speaker, these conditions are not normal, nor fair, and the people are rightly objecting to them. The hon. Minister of Justice asked the mover of this resolution to withdraw it, and he suggested a theoretical study by a committee, according to some sensible method. But I am wondering why this resolution should not be adopted as presented. The motion does not ask for an immediate fair redistribution, but a better redistribution, along with the appointment of a special committee to investigate the question. Then, since others have shown that the gerrymander of 1933 was an abominable thing, why should we not continue making a thorough investigation of the problem, in order to see where a flagrant injustice has been done, even if we have to correct it later or not. This does not preclude consideration of the suggestion made by the hon. the Minister of Justice; it is an excellent one, in my opinion, for I feel that a non-partisan body would be much preferable for establishing the boundaries. I agree with him on that matter. But I say that it lies outside the scope of the motion as moved by the hon. member for Champlain.

I do not know about the other provinces, but in the province of Quebec we have old constituencies which are communities where bounds of fellowship have developed, where similarity of ideas prevail and where the people are used to working in cooperation. If, from year to year, these centres are cut up, if old parishes are split, one half being added to one side and one half to the other side, if our social community is broken up, the result seems to me inevitable, and I wish to emphasize it before I take my seat. We have in this house five parties; in the past there were only two. After all, gerrymandering was of little importance. A little more votes on one side or on the other side, a liberal or a conservative majority had the upper hand, but a different situation might arise in future, when we see the attorney general of the province of Quebec pointing out in public the existence of a communist party in that province which, for a consideration, is enlisting our young men for service in the Spanish civil war. It seems that a number of passports are now being distributed in a surprising way, to young people who leave our country to fight elsewhere, but who will probably return to sow germs of discord, and give rise

to groups which will foment revolution. I submit that as a means of protecting ourselves against such new ideas, of maintaining our traditions, of insuring the true preservation of our people, we should see to it that our representation, which is the basis of our democracy, is better protected. That is the reason why this resolution should receive a more favourable consideration, in order that a committee may make a thorough examination of the complaints brought to its attention, so that they may not occur again in future.

Mr. O. B. ELLIOTT (Kindersley): Mr. Speaker, speaking for the constituency of Kindersley I wish to say there are no complaints.

Mr. W. A. WALSH (Mount Royal): Mr. Speaker, I do not wish to take the time of the house in discussing the matter because, as a new member, I am not very familiar with the ways and means adopted in working out the arrangements at present in effect. I should like to observe, however, that I believe certain injustices were done during the last redistribution. I cannot agree with many of the speeches which have been made in support of the present resolution because I am persuaded that no party as such took part in any gerrymandering. If there was any gerrymandering it was on the part of individual members then sitting in the House of Commons, and not on the part of any particular party as such.

Mr. McINTOSH: It is easily seen the hon. member was not here then.

Mr. WALSH: As the minister is aware, I am speaking from an entire lack of experience, and possibly it would be better if in the future, when redistribution is being considered, the matter be handed over to some persons who have not the knowledge of how previous redistributions were effected. As a layman, and one quite unfamiliar with redistribution methods adopted by this chamber, I would go further and suggest that before the next redistribution takes place ways and means be provided to have the matter placed in the hands of an independent body or organization which will not in any way be under the influence of any member of the House of Commons. It is only by such means or by a change in the law as it now exists that we shall get an equitable, fair and just redistribution as is advocated in the resolution we are considering.

I can see where injustice has been done to certain individuals residing within the constituency of Mount Royal, as it is at present outlined. There is a small city on the boundary line between the constituency of Mount Royal and the constituency of Jacques-Cartier. Previously this city had always been in Jacques-Cartier, but what do we find to-day? One-third of it is now in Mount Royal with the remaining two-thirds in Jacques-Cartier. The line runs down Sixth avenue along the railway track, down Thirteenth avenue, and then zigzags until it reaches nowhere. I could not explain how that line came to be drawn, but it certainly was not drawn with a view to giving the residents in that city fair representation in this house.

A similar condition prevails in the city in which I reside on the island of Montreal. This is a city of 26,000 people. Instead of running the line between the city of Outremont and the city of Montreal, they ran it down a street four streets in from the boundary. This was done in order to put one or two thousand voters into the constituency of Laurier rather than leaving them in Outremont. A new constituency was formed to be known as Outremont, and instead of putting the city of Outremont as such within that constituency, they left part of it in and part of it out.

I cannot agree with the resolution as it is presented, nor can I agree with the remarks that have been made in support of it. However, I do agree that there are certain adjustments which should be made. These adjustments could be made harmoniously by various members of this house, not to their satisfaction but to the satisfaction of their constituents. After all, they are the people who should be considered in a matter of this kind. I feel that there are many little difficulties which could be ironed out to the satisfaction of these people who now have just cause to complain. I understand the Minister of Justice (Mr. Lapointe) will make a motion later on. I hope it will not be a means of side-tracking this issue. This matter should be placed before a responsible committee, not a partisan one, which will iron out these minor difficulties.

Many of these difficulties did not show up until we had an election. They were accentuated because of the election and we see things now as we possibly could not see them prior to 1935. I assume that the committee to be proposed by the Minister of Justice will be acceptable to the hon. member who has moved this resolution. I trust it will be able to do something in the way of ironing out the difficulties and preventing some of the anomalies which now exist and apparently existed in 1932 and 1933. If this committee can devise some means of appointing an impartial body

to carry out the redistribution after the next census, then and then only shall we be able to obtain some degree of satisfaction as far as the representation of the people of Canada in this house is concerned.

Hon. FERNAND RINFRET (Secretary of State): Mr. Speaker, I had not intended to speak on this motion as I was quite satisfied to let the Minister of Justice (Mr. Lapointe) express the opinion of the government on the matter. However, I feel I should say a few words. First, I should like to congratulate the hon. member for Mount Royal (Mr. Walsh) upon the spirit in which he has approached this subject. He has pointed out that one of the peculiarities of the 1933 redistribution is the placing of part of the city of Lachine in the constituency of Mount Royal and leaving the remainder in Jacques-Cartier. I admit that there was no intention to favour the candidate in Mount Royal; it would seem to be more a favouring of the candidate in Jacques-Cartier. There are other discrepancies which could be pointed out.

The leader of the opposition (Mr. Bennett) has said that we cannot have an absolutely equitable adjustment between rural and urban seats. I share his views when he says that the population in rural seats must be smaller than that in city seats. One complaint about the redistribution of 1933 is that there is a distinct disparity as between different urban seats as well as between different rural seats. In connection with the city of Montreal I am somewhat like the Minister of Justice, I can look back at everything with a smile. But there was a very serious complaint at that time. The population in the urban seats seemed to be based upon their location. Those seats which were Conservative by tradition did not have more than 30,000 population, while the strong Liberal seats in the eastern part of the city contained 45,000, 48,000 and so on. I had the privilege of having the top score of 55,000 electors to whom I had to submit my case.

We see the same discrepancies in the rural constituencies around Montreal. For the sake of the record and not with the idea of raising any partisan issue, I should like to remind the house that the old Laval-Two Mountains constituency was adjusted so that it would take in part of Ile Jesus. Two Liberal parishes on Ile Jesus were taken away from that constituency and added to a Montreal constituency. Perhaps all this was done to promote navigation on inland waters. This is the seat represented by the former Postmaster General, the Hon. Mr. Sauvé.

Somewhat the same thing applies to the constituencies of the former Minister of Marine, the Hon. Mr. Duranleau. That was the well known constituency of Chambly and Verchères. This brings out the point mentioned by the Minister of Justice. In the old days when it was necessary to combine two counties, this was done without changing their boundaries. Part of the county of Verchères was taken away and given as a gift to my colleague the Minister of Public Works (Mr. Cardin). That was thrown in with Richelieu, which made it a very strong Liberal seat indeed. There was one parish, the parish of Ste. Julie, which had always voted Conservative. That parish was not given to Richelieu; it was kept in Chambly. To that was added, not the county of Rouville, but the Conservative section of the county of Rouville.

I could go right along and point out further examples. Take the county of Laprairie, for instance; it was added to Beauharnois far away. Then they joined both constituencies by a sort of Polish corridor, comprising part of the county of Chateauguay, and that had the advantage of relieving the Conservative member for Chateauguay-Huntingdon of some Liberal parishes.

I admit that the results have not been quite what was expected, and that we should prove good winners and not stress these points too much. It shows that after all redistribution is not perhaps so important a matter as affecting the electoral lists as some hon. members may think. I believe that when a current of opinion is established it does manifest itself, no matter how the limits and boundaries of constituencies are fixed, and I believe with the Minister of Justice (Mr. Lapointe) that it is more important to devise new methods and more equitable ways and means of effecting redistributions in the future than it is to go over the mistakes of past redistributions. I am not at all so great a partisan as to pretend that this is the only time there have been complaints about redistribution, for we might as well admit that there have been complaints about most redistributions, and it is much more important to devise better means for making the next one than to dig up the past and see what can be done to adjust existing grievances. Therefore I hope, Mr. Speaker, and am confident that the mover (Mr. Brunelle) will withdraw his motion and allow the Minister of Justice, as he has promised the house to do, to make a motion not to refer back to the 1933 or any other past redistribution but to appoint a committee which will examine ways and means how the redistribution should be made in the future and the advisability of changing our methods in that respect.

Mr. DAVID SPENCE (Parkdale): Mr. Speaker, I cannot see very much reason why we should get excited in the house and waste hours talking over a trivial matter like the last redistribution. I have seen many redistributions, and to my mind it does not matter very much how you change the boundaries, for if the wave is with the party, they get in, and if it is against them, they get out. I for one have probably suffered just as much by redistribution as anybody else, and yet it could not be helped. It was as fair as any redistribution could be, but one cannot have an absolutely fair redistribution. No one will ever think he has been fairly treated.

The hon. member for Melfort (Mr. McLean) probably has a right to some kick about what happened in his riding, as has also the hon. member for North Battleford (Mr. McIntosh), and yet they are both here in the house. The latter claims that the redistribution committee tried to eliminate North Battleford altogether. I consider these members two of my best friends in the house. They are wonderfully capable; they make able speeches, and love to hear the reecho of their voices, but I do not think anybody takes them too seriously. I think they should follow the advice of the Minister of Justice (Mr. Lapointe) and forget all about it. Only one election can be held before the next redistribution, so why worry? We are just like a kindergarten here, and if some hon. members could hear themselves outside, they would be ashamed. As I say, if the wave is with a party they get in; if not, they get out. It was that way with us in 1930, and no matter what the redistribution was we would have been trimmed. The wave was with hon. gentlemen opposite in the last election; it was against us, and that is the only reason why they are sitting over there.

The hon. member for York North (Mr. Mulock) was speaking this afternoon, and I am sorry I did not hear all he said. But he knows what happened in that riding to beat our good friend the late Herb. Lennox. Talk about gerrymandering! Why, everything possible was done to get that man out of the riding, and still my hon. friends could not get him out. Now my hon. friend comes in with Mulock's millions behind him, and perhaps we shall never put him out. We may attempt to by hook or by crook because we have to fight an election.

As far as the redistribution committee was concerned, I think they tried to be fair to everyone. No doubt there were complaints. The former Minister of Agriculture (Mr. Motherwell) thought he was getting very unfair treatment, and probably he was, but matters were fixed up for him and for several other members, and, as can be seen by the vote, although it was small, there was general agreement on that redistribution when it came into the house.

As far as Quebec is concerned, I know very little about it. If anything wrong was done, it should not have been done. I do not approve anything unfair or any gerrymandering or anything ungentlemanly to do someone out of a seat. Let us all be good sports and take our defeat with good grace; let us quit losing time and get down to business.

Mr. H. E. BRUNELLE (Champlain): Mr Speaker, I must congratulate the hon. member for Mount Royal (Mr. Walsh). I think he is very clever. He apparently is in favour of changing the boundaries of his constituency. He therefore admits that there was at least one injustice done by the Representation Act of 1933. On the other hand his leader is against my resolution, and therefore my hon. friend must be against it. Then he says he would be in favour of the resolution of the Minister of Justice (Mr. Lapointe), which is not before this house, and which apparently is going to serve the same purpose as my motion, but he is against my motion, which is before the house.

I was surprised to hear the hon. member for Leeds (Mr. Stewart) state the other day that he was chairman of the committee which prepared the last redistribution in 1933. The hon. member for Leeds has the reputation of being a fair-minded man. Personally I look upon him as just and straightforward, and why he tolerated the recommendations of the committee over which he presided in 1933 I cannot understand. I do not wish, however, to change the good opinion I have of him, for I feel certain that at least the members representing the province of Quebec on that committee must have taken advantage of his good nature and kind disposition. Those members have disappeared from the political scene in this house, which proves that "la tricherie revient a son maitre." Be that as it may, the hon. member for Leeds feels himself in duty bound to defend a thing from which in normal circumstances, I am sure, he would be the first to dissociate himself.

I must disagree with the right hon. leader of the opposition (Mr. Bennett) when he says that the Representation Act of 1933 was the result of an agreement between the parties.

Mr. BENNETT: No; the members of the committee.

Mr. BRUNELLE: Oh, the members of the committee, but surely what the members of the committee decided had some reflection in what the parties in the house decided afterwards. The debate on the act covers 360 pages of Hansard and represents a discussion extending over practically ten days, and the then Prime Minister (Mr. Bennett) had to invoke the aid of the brute majority to put the measure through. These facts are not of a nature to show that there was agreement between the parties. The contentions of hon. members of the opposition are quite erroneous and contrary to all accepted legal principles. In the first place, some of them at least contended that the act was just, and that in the alternative, if it were not just, there was no available remedy until the next redistribution in 1942 or 1943. I shall not take up the time of the house discussing this point. So many members have already pronounced themselves against it, and the injustices have been shown to be so glaring, that to prolong the discussion would only be a waste of time. To pretend, however, that our laws and institutions do not provide an adequate remedy for all injustices and all torts committed is to state a principle which, I submit, should not be enunciated in this house, for it is not conducive to a feeling of security and peace among our people. There is involved in this issue a principle which should dominate any political viewpoint.

Referring to what I said a little while ago, that some who opposed my resolution had suggested that there could be no remedy until 1943 or until the next census, may I say that when attending law school I noted that our professors always impressed upon us the fact that whenever our common law or statute laws did not provide any remedy for injustices or torts, the law of equity was always available to provide the necessary relief. Clement was quoted by me last week, and also by the hon. member for York North (Mr. Mulock), to show that the government has the right to change the boundaries of constituencies. I submit, therefore, that both by law and in equity the government would be justified in having a committee study the matter with a view to removing the most flagrant injustices committed. I wish to put some emphasis on the purpose of the resoultion. It is only to correct errors, to right certain wrongs, and, using the words of the holy book, to make the paths straight.

Let me repeat that practically every representation act since confederation has been amended; for some reason or other they have been all amended. Even the 1933 act was amended, affecting, if I am not mistaken, the constituencies of Hamilton East and Hamilton West. The Minister of Justice has said he is willing to appoint a committee or to reappoint the committee which sat last year to study this question, and in view of that he has suggested that I should withdraw my resolution.

Mr. LAPOINTE (Quebec East): I meant the committee on elections which was constituted the day before yesterday on a motion of mine, and I have already given the notice which I told my hon. friend I would.

Mr. BRUNELLE: That will serve my purpose, and with the consent of the seconder I agree to the suggestion. Before resuming my seat I wish to tell those who have opposed the resolution—and I am speaking on behalf of those in favour of it, whether they have spoken or not—that we as members are not in favour of imposing ourselves upon the country against the people's wish by way of legislation because that method amounts to force and violence. Let me tell those who oppose the resolution that we do not expect any committee to take steps or make recommendations based only upon ballot boxes but we expect it to take steps or make recommendations based rather upon the convenience and welfare of the electors. Let me tell the opposition that we do not expect the committee which is to be appointed to replace one injustice by another, because we do not believe in the principle of an eye for an eye and a tooth for a tooth. All I ask is that fair play and impartiality be shown in a federal law which I deem to be of great importance because of the bearing it has on the vote of the electorate at election time.

Motion withdrawn.

RAILWAY ACT AMENDMENT

Mr. WILFRID LACROIX (Quebec-Montmorency) moved the second reading of Bill No. 10, to amend the Railway Act (Telephone Tolls).

Mr. BENNETT: Explain.

Mr. LACROIX (Quebec-Montmorency): The Quebec-Montmorency chamber of commerce have submitted to the board of railway commissioners an application seeking to modify the boundary limits within which the Bell Telephone Company serves the city of

Quebec. In accordance with the view then expressed by the chairman of the board, that they are without any authority as far as the fixing of that boundary limit is concerned, and after agreement with my colleague the Minister of Transport (Mr. Howe), I am presenting this bill to clarify the law so as to allow the board to render judgments in keeping with the facts submitted to them.

(Translation): Mr. Speaker, some time ago I was called before the board of Railway Commissioners, in Quebec City, to represent electors from my county who wished to lay before the board a complaint regarding the Bell Telephone Company's service in Quebec-Montmorency county. In my riding, which encircles the city of Quebec, there are several small industries and industrial centres which have constant business intercourse with the city of Quebec and which need therefore, for the marketing of their products, to keep continually in contact with that city, from an industrial as well as an agricultural viewpoint, and which have to exchange telephone calls with the city every day, even four and five times a day. They must pay long distance toll charges each time they put in a call for the city of Quebec. Even when they are unsuccessful in reaching the proper party, they must perforce pay for their useless call. When the farmers of my riding who market their products in the city of Quebec have to make four or five calls a day, it means a daily outlay of 40 cents. There is moreover a charge of so much per mile which they must pay to the company according to the present rates. If we wish to promote the development of our cities, to allow a more regular intercourse between the rural and urban population, we must provide greater facilities, especially to those people who live in the vicinity of the city of Quebec.

When I appeared before the Railway Board, the Bell Telephone replied: "The expenditures which you demand, which you would have us make would be too heavy for the Bell Telephone Company." So I put the following question to one of the company's representatives: How much would that amount to? The Bell Telephone official could not say. Well now, gentlemen, if we wish to hold back the forces of communism, the best way is to see that public utilities give satisfaction to those that have to foot the bill. Before the Railway Board, I asked the same company, represented by its attorneys: What are your profits? And they answered: We will let you know later. I have here a report of that company showing its profits. How much do they amount to, Mr. Speaker? In 1935—I mean the net profits—they amounted to $8,343,819. And you will note that the total operating costs, for the same year, amounted to $10,748,896. I claim that part of what is called "operating costs" is distributed to the Northern Electric, a Bell Telephone subsidiary company, consisting of a few Bell Telephone shareholders. They are hiding their profits, they dare not distribute them to the Bell Telephone Company, to its shareholders; there is an effort made to hide from the public what the earned dividends really are and the public is even precluded from benefiting by the profits accrued to the company. This constitutes a social injustice. I appeal to the members of this house, and through you, Mr. Speaker, to the people of this country, and I say that, ever since 1927, never has the Bell Telephone made the public aware of its profit, even to the smallest extent, and never has the Bell Telephone given the public the benefit of an appreciable change in its rates.

Once again, Mr. Speaker, are we really anxious to stem the rising tide of communism in this country? The best manner in which to attain that end is to allow the common people, those who wish to live and breathe freely in our beautiful Canada, sufficient means for sustenance, and to provide the Canadian people with public services which are really for their own use.

Hon. C. D. HOWE (Minister of Transport): Mr. Speaker, I have not been able to follow the greater part of the remarks made by the hon. member (Mr. Lacroix), but it would appear that he proposes that the jurisdiction of the railway commission with respect to telephone tolls should be clarified. I may say I see no objection to this bill receiving second reading; I think a matter of this kind is distinctly one that should be referred to a committee so that the interested parties might appear before the committee and express their views.

Motion agreed to, bill read the second time and referred to the standing committee on railways, canals and telegraph lines.

FOREIGN POLICY

PROPOSED STATEMENT OF PRINCIPLES TO APPLY IN RESPECT OF WAR, THE CAUSES OF WAR, AND WAR MUNITIONS AND MATERIALS

The house resumed from Monday, January 25, consideration of the motion of Mr. Woodsworth:

That, in the opinion of this house, the foreign policy of Canada should conform to the following principles:

1. That under existing international relations, in the event of war, Canada should remain strictly neutral regardless of who the billigerents may be.

2. That at no time should Canadian citizens be permitted to make profits out of supplying war munitions or materials.

3. That the Canadian government should make every effort to discover and remove the causes of international friction and social injustice.

Mr. O. B. ELLIOTT (Kindersley): I wish to support this resolution, but I do so with certain reservations. Referring to the first clause, in regard to remaining strictly neutral regardless of who the belligerents may be, I wish to draw a picture of the spectacle that faces us in actuality. There are at the present time, exclusive of the forces in China, 5,000,000 men under arms throughout the world. More than 19,000 military planes are in the air forces of twelve nations; more than 4,000 warships patrol the seas defending trade routes. The world is full of great fortresses, organizations, plants, training equipment, war stores, arsenals and armouries. The world this year will spend $9,000,000,000 on armaments, or over $6,000,000,000 more than in 1913. If war broke out to-morrow, five nations in Europe could launch 17,900 planes into the air: Russia, 4,500; England, 4,000; Italy, 3,600; France, 3,000; Germany, 2,800.

The hon. member for Grey-Bruce (Miss Macphail) remarked that Canada is very fortunate, her defence being three oceans: the Atlantic, the Pacific and the Arctic, with the United States to the south; that more than anything else. I very reluctantly disagree with this line of reasoning, because I have repeatedly seen pictures and read of large transports for the purpose of bringing seaplanes close to the borders of our country, which planes may at any time cause destruction and death to our people. The borders of no man's land are no longer limited to the fighting front, but include the whole civil population of every country in the world. The recognition of this new danger demands that we take such measures of preparation for defence as are within our power. Beyond that I am not prepared to go until other matters in our national life which I shall mention later have been rectified.

This parliament is responsible for the lives of the people of this dominion. That is a grave responsibility. We must rely on the sincerity of the Prime Minister (Mr. Mackenzie King) when he said:

I want to make it quite clear that we will not necessarily become involved in any war into which other parts of the British Empire may enter, simply because we are a part of the British Empire. It is for this parliament to decide whether or not we will participate in a war in which other parts of the British Empire may be engaged.

I am sure that if, through neglect on my part, the civil population of this country were to suffer death and destruction by not having some measure of protection from invasion, I would be very negligent in my duties, but certainly we cannot keep up with the major nations of the world in armament, and possibly it would be unwise to increase our burden of debt by engaging in any armament scheme of the kind.

With respect to the second clause, dealing with profits made in the manufacture of war munitions and materials, in reply to the hon. member for Winnipeg North Centre (Mr. Woodsworth) the other evening, the Prime Minister (Mr. Mackenzie King) said:

I share the hon. member's abhorrence of anything in the nature of profiteering. I cannot imagine a more contemptible means of seeking to make one's fortune than by doing so at the expense of the lives of others.

And again:

I think private industry, where it is engaged in the manufacture of munitions and war materials, has to be watched closely, for the very reason mentioned by my hon. friend, namely to see that excessive profits are not made.

I should like to point out to hon. members, however, that profits are not made only on war materials and munitions, as can be proven by a table of war costs which I have in my hand. I should like to place this table on Hansard without reading it, Mr. Speaker, with your permission. The table is as follows:

Canada's Bill for the Last War

Year	Direct War Expenditure	Pensions	Soldiers' Civil Re-establishment	War Graves	Soldiers' Settlement (administration)	Interest	Total Annual Cost including interest
1915. . . .	$ 60,750,476	$	$	$	$	$ 2,126,268	$ 62,876,744
1916. . . .	166,197,755	307,572	.....	.....	.....	8,862,976	175,368,303
1917. . . .	306,488,815	2,447,375	.....	.....	.....	22,520,060	331,456,250
1918. . . .	344,836,802	7,795,295	.....	.....	.....	41,774,728	394,406,825
1919. . . .	447,019,439	17,869,274	18,616	.....	214,752	66,563,858	531,685,939
1920. . . .	346,612,954	25,506,703	47,230,903	93,683	3,102,396	80,830,629	503,377,268
1921. . . .	16,997,544	36,761,161	36,268,716	378,963	3,757,661	96,142,995	190,307,040
1922. . . .	1,544,250	35,414,743	17,781,803	522,115	2,282,713	99,077,822	156,623,446
1923. . . .	4,464,760	32,118,374	13,365,135	378,442	1,819,825	101,737,295	153,883,831
1924. . . .	446,083	32,443,502	10,312,947	371,785	1,615,006	102,001,913	147,191,236
1925. . . .	506,931	33,841,537	8,981,199	446,896	1,412,900	102,176,158	147,365,621
1926. . . .	191,393	36,103,084	7,734,840	472,519	1,237,421	104,417,382	150,156,639
1927. . . .	64,485	36,745,754	7,005,838	799,767	1,250,787	108,841,680	154,708,311
1928. . . .	1,860,985	38,460,659	6,991,019	573,419	1,386,446	109,079,200	158,351,728
1929. . . .	119,848	40,047,757	7,901,957	573,698	1,441,951	111,533,376	161,618,587
1930. . . .	59,702	40,406,565	8,454,121	.....	1,362,122	113,997,218	164,279,728
1931. . . .	61,889	45,965,723	10,123,442	.....	1,300,328	116,812,336	174,263,718
1932. . . .	75,471	48,686,389	11,510,867	.....	1,035,475	119,816,438	181,124,640
1933. . . .	51,500	45,078,919	10,409,713	.....	818,325	120,076,411	176,434,868
1934. . . .	47,571	43,883,132	9,475,476	.....	810,420	115,013,407	169,230,006
1935. . . .	48,000	41,953,036	10,125,140	.....	800,000	106,556,324	159,682,500
1936. . . .	71,000	42,870,000	11,328,000	200,000	800,000	103,506,140	158,575,140
	$1,698,517,653	$684,706,554	$235,019,732	$4,811,287	$26,448,528	$1,953,464,614	$4,602,968,368

It will be seen that since 1915 direct war expenditures have cost Canada $1,698,517,653; pensions, $684,706,554; soldiers' re-establishment, $235,019,732; war graves, $4,811,287; soldier settlement administration, $26,448,528; interest charges, $1,953,464,614, or a total of $4,602,968,368. Interest charges increased steadily until 1933, and amount to $254,046,962 more than the entire direct expenditure on war materials, and $1,002,478,513 more than the entire cost of pensions, soldiers' re-establishment, war graves and administration from 1915 to 1936 inclusive. During 1936 interest charges were $103,506,140 and total war expenditures, including all the headings I have already mentioned, amounted to $55,269,000, which gives a total of interest exceeding other expenditures of $48,237,140.

The people of this dominion no doubt will judge the sincerity of the statements of the Prime Minister by the immediate action he takes to correct some of the abuses now being attempted by some of our financial buzzards who have had a long life of good pickings. Between 1920 and 1930, according to the price spreads committee, financial promoters who control bank funds and policyholders' insurance premiums added $500,000,000 of water to the industries and utilities of Canada. Interest must be paid upon the water under the doctrine of the sacredness of money contracts and sweatshop wages. Hitherto the state has had one device remaining in order to deal with financial monarchs. It could wait until they died and impose an inheritance tax. Costly brains have been hired and set in motion to devise ways and means of beating the inheritance tax and possibly the income tax as well. Now we see an exodus of Canadian multimillionaires to Nassau where a stay of a few short months each year, when the cold blasts blow in Canada, at the end of two delightful seasons turns a super-patriot into a full-fledged West Indian, immune from the payment of inheritance tax to the Dominion of Canada, whose people he may have gouged and exploited to the limit. And we are anxious to learn the results of the investigation into the textile industry.

With regard to the third clause, which concerns the removal of the causes of international friction and social injustice, it is my belief that trading restrictions coupled with the fight for markets by the major nations are the primary causes of war. The four danger points are Germany, Italy, Austria and Japan. These nations will hardly start a war unless it is forced on them by the commercial policies of the trading nations of the world. In other words, should the trading nations of the world continue to require these nations to effect commercial impossibilities, war is inevitable as soon as these nations realize that war is the only alternative to internal collapse. The actions of the present government would indicate that they are

conscious of the possibility of the slaughter of another ten million young lives and the maiming of twenty million more. This inference may be taken from their efforts to consummate trade agreements with all nations, but until recently everything, as far as trade relations are concerned, seems to have been done in order to foment the causes of war while nothing has been done toward preserving peace.

The probabilities of war can be tested by two factors—gold production and ability to pay for imports by shipping exports. The nations I have mentioned do not produce gold in any important quantities, and when required to finance their imports by paying money based upon gold they are helpless, and must fight or starve. The maintenance of a standard of living among the people of a nation requires the bringing into the homes and pantries of that nation the necessities of life, varying in number with climate and locality. Averaged in all the trading nations of the world, however, they resolve themselves into twenty-five classes. Russia is the only nation that has power to produce the entire twenty-five classes within her own borders. The British commonwealth of nations and the United States of America have power to produce within their own borders from fifteen to eighteen of these classes, depending upon climatic conditions. Then comes a tremendous drop to Germany, Austria, Italy and Japan, which makes them the world's war danger points. Germany and Italy can produce within their borders only five of these classes. Austria and Japan can produce only three. On the basis of an efficient standard of living, therefore, Germany and Italy must import twenty of these classes while Austria and Japan must import twenty-two. Attempts to force them to pay for these imports on the basis of money having a value in gold are useless, because these nations have no gold producing power. The alternative is to keep them tied up commercially until, faced with internal collapse, one of them starts a war, which I believe would develop into a world war. The path of peace is along the commercial highway of fair trading relations, allowing these nations to use exports to pay for imports. This is certainly better than sacrificing ten million more lives. The idea that Canada and the United States can stay out of a world war is absurd.

When trading relations are based upon a barter plan, the cry of cheap labour is usually raised, but I should like to quote one fact which will show how baseless the cheap labour cry actually is. When the British government recently announced its intention to go into air force defence in a large way, the increase in value of shares in aeroplane companies amounted to more in actual money than labour could possibly get out of the whole program. Zaharoff may be dead, but he must have left a good successor somewhere, if we are to judge from war activities and profits already in process of making.

Many letters are coming to my desk from people in all walks of life requesting that I support restrictions of profits in war materials, careful promotion of defence facilities along our coastal borders, and the promotion of peaceful gestures to all nations. War is not caused chiefly by a lust for territory or prestige. It is also caused by a low standard of living, by a feeling of economic insecurity and by the desire for moral and social emancipation. When war becomes a matter of equal sacrifice for all and special privileges for none, there will be less propaganda in favour of it.

Mr. DANIEL McIVOR (Fort William): Mr. Speaker, I rise to take part in this debate because I believe I represent a certain type of revolutionary thinkers, and I speak because I consider it my duty to do so. I agree with the mover of the resolution (Mr. Woodsworth) and join with him in his utter detestation of war in any form. No good can come from it to man, woman or child, physically, morally, spiritually or financially; yet I fail to see how Canada can remain neutral. We belong to the British commonwealth and if that commonwealth is engaged in war we are responsible, even though such war might be in northern India, or in Egypt, or in some other part of the empire. Our neutrality would not be recognized by any enemy with a big navy or air fleet.

If we are to remain neutral it seems to me our only alternative is to secede from the empire and start on our own. What could eleven million people do? How could we exist in a land-hungry world? The outstanding example of the impossibility of our position is found in the Ethiopian affair. On the other hand we might join the United States or permit the United States to look after us. Then, if they were engaged in war I wonder where our neutrality would be. What is the difference between allowing somebody else to fight for us, and fighting for ourselves? Therefore it seems to me impossible to remain neutral. An enemy which might capture our country might not give us the privileges we now enjoy. We might not have freedom of worship. It is possible that we

might be captured by an un-Christian nation, and our children would be taught to worship war. I am sure there are a great many Canadians who would say that could happen only over our dead bodies.

I believe the Prime Minister (Mr. Mackenzie King) spoke wisely when he said that he refused under any circumstances to tie the hands of the nation to a declaration of neutrality. Such a policy would be as likely to invite attack as to stave it off. No doubt Ethiopia was selected by Mussolini as a point of attack because they were not able to hit back with equal force, and were not familiar with modern warfare.

I would not ask the government to do for the country what I would not be prepared to do for myself. If my wife and family were attacked I should like to see the man in this chamber who would get away unscathed after attacking them. If any other man's wife and family in Canada, people just as good as our families, are attacked, it is our duty to see that they are protected. I must admit that I have not risen to that perfection of Christian character where I can say that I will have peace in every possible way. I know it is possible for a man who is hit on one cheek to turn the other also, but I must admit my weakness in not having attained that point of perfection.

I am sure any citizen must give serious thought to the part of the resolution dealing with profits. To have control of all profits we must have complete nationalization of resources—resources from the land, and all other sources. Even the leader of the Cooperative Commonwealth Federation, according to the manifesto of that group, is not willing to go that far. I am willing, however, to agree that profits should be wiped out of this horrible thing, because they represent the price of blood, and I suggest that is a poor basis for wealth. We have noticed some people who made money during the late war, and we know that to-day they are not very happy about it. It should be made known that services will be given at wages equal to those gained by the men in the trenches. As wealth is of less importance than human life, wealth should be conscripted first.

We all believe in war. Hon. members may think that is a peculiar statement, but as I sit in the chamber and listen to hon. members who take part in the debates I feel the sword thrusts of political warfare and I hear speakers who are anxious to give the thrust that will fatally wound their opponents, so that they will be sent back to be buried forever in their constituencies.

If we are not prepared to be absolutely unselfish I do not see how we can say we do not believe in war. We must work for peace, and to me there is only one cure, namely, following the Prince of Peace. During the present session I have been agreeably surprised to find Christian courtesy between the Prime Minister and the leader of the opposition (Mr. Bennett). I think both these men must have in their private lives places where they can go to be quiet and get built up.

What is the cure for war? It can be cured only by following absolutely the Prince of Peace. As that old philosopher Socrates once said to a group of youths who were bothering him a little by asking how they could get to Mount Olympus, "Keep going in that direction." Anything that will cure hate in an individual will cure it in a nation. I am convinced that there are groups of people all over Canada to-day who are leading a Christian revolution which will help to cure the curse of war.

Mr. C. E. JOHNSTON (Bow River): Mr. Speaker, I do not wish to detain the house at great length in speaking on this matter, but I feel it is a question upon which everyone should be well informed. I have heard the right hon. Prime Minister (Mr. Mackenzie King) say time and again that this program upon which the government is about to embark is purely one of defence. Then the other day I heard the right hon. gentleman make the remark that a world war was inevitable and that we must be prepared. In view of these words I must say that I am not quite satisfied as to just what is the program of the government. I want to make myself clear on this point as my opinion has changed slightly from what it was the other day. If we go ahead and prepare for a war, when that war comes we may be thrust into a great conflict when we never expected such a thing to happen.

As I read the resolution of the hon. member for Winnipeg North Centre (Mr. Woodsworth), it seems to me to be rather vaguely worded. I am in accord with the principle of the resolution, but I cannot agree with its exact wording. It reads:

> That, in the opinion of this house, the foreign policy of Canada should conform to the following principles:
>
> 1. That under existing international relations, in the event of war, Canada should remain strictly neutral regardless of who the belligerents may be.

2. That at no time should Canadian citizens be permitted to make profits out of supplying war munitions or materials.
3. That the Canadian government should make every effort to discover and remove the causes of international friction and social injustice.

I cannot agree with the first principle, that Canada should remain strictly neutral regardless of who the belligerents may be. On page 675 of Hansard of March 2, 1936, will be found the following words of the hon. member for Winnipeg North Centre:

We come to the policies of our country, and as yet, unfortunately in my judgment, this country, like a good many other countries is still relying more or less upon armaments as a last resort. I suggest that an isolationist position cannot be successfully maintained in the world to-day. Things may come to such a pass, if we are about to be dragged into a war and there may be no other policy open to us.

I would say that if the time comes when we must enter into a war, then we shall have to do so. The resolution states that under no circumstances should we take part in any war. I cannot just follow the reasoning of that. I cannot imagine ourselves being placed in a position where we would have to submit meekly to any proposal put up to us. I have in mind the possibility of a war between the United States and Japan. They are both militant countries, and should Japan attempt to attack the United States there is no doubt in my mind that the former would make every effort to establish a base in Canada. Once Japan had taken the United States there is no doubt that she would immediately turn on us. We could not remain neutral because we would not be in a position in a military sense, to force our neutrality upon Japan or any other nation. Surely we would not sit with our hands folded and say to Japan or any other nation: We will let you come in and do just exactly as you want us to do and we will make no effort to put you out of the country. I think that would be an entirely wrong position to take. I may say quite frankly that I do not think that is the real intention of the resolution and that is why I say it is rather loosely worded. I was interested the other day in hearing the hon. member for Grey-Bruce (Miss Macphail) say that we should remain strictly neutral. In order to remain neutral a nation must have a certain strength with which to maintain that position.

The second principle in the resolution states that at no time should Canadian citizens be permitted to make profits out of supplying war munitions or materials. Here again I am fully in accord with the principle of the resolution. I do not think profits should be made in time of war. As the Prime Minister said the other day, there were no terms with which to describe one who would endeavour to participate in the earning of blood money. But we know that this is being done all the time and I do not think such things should be permitted. The wording of this part of the resolution is a little ambiguous. The word "profit" is rather broad. If we are to say to the manufacturers that they will be permitted to earn just the bare cost of manufacturing, we shall have nothing manufactured. The hon. member for Fort William (Mr. McIvor) referred to the fact that our soldiers are paid only $1.10 per day while fighting in the trenches. That is all they receive for taking the chance of being blown to pieces. I do not think a manufacturer of munitions, boots and shoes, tunics, or farm products, or the developer of our natural resources, should get one penny more than the man in the trenches. Possibly he should not get as much. I think the word "profiteer" would have been a better expression. Some may say that there is no profiteering, but I cannot agree with that. This has been pointed out already by the hon. member for Athabaska (Mr. Rowe) and another hon. member from this side. I should like to quote from an article in the American Weekly, dated Washington, February 8. It may be said that this is something from the United States, but I believe the same conditions exist in this country. The article reads:

United States Senate committee exposes deals in which Brazilian rebels were bilked. A profitable business in bilking Brazilian revolutionists with thousands of dollars supplied for the purpose of war materials sticking to the fingers of armament agents was exposed to-day by the United States Senate munitions committee.

With the current Paraguayan revolt lending interest to its inquiry, the committee traced an apparent profit of $77,000 to Lieutenant Leigh Wade, former United States army flyer, as a result of one deal for ten airplanes.

In addition, there was an item of one hundred machine guns sold for $350 by the United States army as junk, reconditioned, and passed around a circle of revolutionary representatives with their price increasing to a final figure of $49,000.

Further, there were numerous instances of fictitious prices, charged and invoiced by manufacturers and sellers, with a rebate for the overcharge made later to the buying agent.

Wade, now in South America despite a committee subpoena, received $130,500 from William Brown, disbursing agent for a gun-running ring, formed in connection with the Sao Paulo, Brazil, revolt of 1932.

He paid the Consolidated Aircraft Corporation of Buffalo, N.Y., $53,000 for the planes. The balance of $77,000 never was accounted for, Brown testified.

Moreover, the planes were never delivered to revolutionists. With the revolt crushed, the federal government of Brazil claimed title to them, and they were delivered to it.

While that refers to the country to the south of us, the same conditions would be revealed right here if the proper investigation were carried on. I think now is the time that we should definitely know what we are going to do. I remember three years ago when I was travelling through British Columbia I stepped into the concentration plant at Kimberley, where they have a copper mine, and I saw piled up there a great mound, much bigger than this room, of concentrates from the copper mine, thousands of tons of it. Upon inquiring why it was piled up there, I was informed that they had already reached their quota and they could not ship out any more, so they were just piling it up there. Now in time of war I contend that the price for copper would go up as soon as war was declared, and there would be a chance for these mine owners to make a huge profit due entirely to the war. The price of copper should be controlled, and the same with other metals, nickel, iron and such like. We set the price of wheat in the war. That was not beyond our power to do, and if we can set the price of wheat, why cannot we set the price of these other commodities in a case of great emergency? I do not think this should be done in any haphazard way. We should prepare for it now and manage it along business lines, and if the Canadian people were assured that there was going to be no participation in profiteering in the next war and that we were fighting absolutely for our country without any profiteering, there would be a great deal more satisfaction throughout this dominion.

I have before me another article taken from the Calgary Herald, entitled "Trading in Arms charged by Geneva. Article of Treaty forbids Reich exporting or importing war material. Britain bought products." This was given out by Geneva. I just heard someone say that this must be a great paper. So it is because it gives us information of this kind. The article goes on to say:

League of Nations officials charged—

This is from the League of Nations, mind you.

League of Nations officials charged Monday that Germany was trading in arms and munitions of war in open violation of the Treaty of Versailles.

Germany sold munitions worth 10,340,000 reichsmarks ($4,136,000) in 1935, the league reported, and bought arms of war to the value of 215,000 reichmarks ($86,000).

A little further on it says:

League officials, listing the total known world trade in armaments as $43,600,000, pointed to Germany's report to the 1935 edition of the "Statistical Year Book on the Trade in Arms and Ammunition" as evidence to support their charge.

Heretofore, officials said, Germany accompanied her arms trade figures with a footnote describing them as "arms for sporting purposes." This year the footnote was omitted.

The league warned its report for 1935 should not be accepted as complete for the world-wide traffic in arms. The world total of $43,600,000, it was pointed out, necessarily was incomplete.

Germany's best customer in arms for 1935, according to the league, was Great Britain, with purchases amounting to 1,089,000 reichsmarks ($435,000).

Can you conceive, Mr. Speaker, that, according to the league, Germany's best customer in arms for 1935 was Great Britain with purchases amounting to $435,000. We have enough manufacturers of munitions in Great Britain and Canada, if we are engaged on a purely defensive program, to go ahead and manufacture our own arms without any importations from Germany or any other country. I see it is nearly eleven o'clock.

At eleven o'clock the house adjourned, without question put pursuant to standing order.

Friday, January 29, 1397

The house met at three o'clock.

RAILWAYS AND SHIPPING

APPOINTMENT OF STANDING COMMITTEE TO CONSIDER ACCOUNTS AND ESTIMATES

Hon. C. D. HOWE (Minister of Transport) moved:

That standing order 63 of the House of Commons, relating to the appointment of standing committees of the house, be amended by adding to the standing committees of the house for the present session a standing committee on railways and shipping owned, operated and controlled by the government, to which will be referred accounts and estimates and bills relating thereto of the Canadian National Railways and the Canadian Government Merchant Marine for the present session, for consideration and report to the house; provided however that nothing in the 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. Barber, Beaubier, Bothwell, Deachman, Elliott (Kindersley), Ferland, Fiset (Sir Eugène), Fraser, Hanson, Heaps, Howard, Howden, Howe, Kinley, McKinnon (Kenora-Rainy River), McLarty, Maybank, Parent (Quebec West and South), Ryan, Stewart, Vien, Walsh and Young.

Motion agreed to.

STANDING COMMITTEES

PRIVILEGES AND ELECTIONS—CHANGE IN PERSONNEL

Hon. ERNEST LAPOINTE (Minister of Justice) moved:

That the name of Mr. McLean (Simcoe East) be substituted for that of Mr. Pinard on the standing committee on privileges and elections.

Motion agreed to.

PARLIAMENTARY RESTAURANT—CHANGE IN PERSONNEL

Hon. ERNEST LAPOINTE (Minister of Justice) moved:

That the name of Mr. Pinard be substituted for that of Mr. McLean (Simcoe East) on the joint committee of both houses on the parliamentary restaurant.

That the name of Mr. Rhéaume be substituted for that of Mr. Howden on the joint committee of both houses on the parliamentary restaurant.

Motion agreed to.

GOLD CLAUSE OBLIGATIONS

PROVISION FOR DISCHARGE BY PAYMENT IN LEGAL TENDER OF COUNTRY WHERE PAYABLE

Hon. CHARLES A. DUNNING (Minister of Finance) moved that the house go into committee at the next sitting to consider the following proposed resolution:

That it is expedient to introduce a measure to provide that obligations governed by the law of Canada and payable in gold or in gold coin or in an amount of money measured thereby may be discharged by payment of the nominal or face amount thereof in legal tender of the country in whose money the obligation is to be paid.

Motion agreed to.

SPANISH CIVIL WAR

ENLISTMENT OR RECRUITING OF CANADIANS FOR FOREIGN MILITARY SERVICE—EXPORT OF MUNITIONS

On the orders of the day:

Mr. M. J. COLDWELL (Rosetown-Biggar): I wish to direct a question to the Minister of Justice (Mr. Lapointe). I am informed that during the regular nightly CBC news broadcast on Wednesday of this week at 10.45 p.m. eastern standard time it was stated that the government of Canada contemplated the passing of an order in council giving effect to the Imperial Foreign Enlistment Act of 1870 in Canada, with a view to the prohibition of Canadian volunteers fighting in Spain. I wish to inquire whether, and if so why, a decision of such importance is to be dealt with by order in council without first ascertaining the will of parliament now in session.

[Mr. Howe.]

Hon. ERNEST LAPOINTE (Minister of Justice): The hon. gentleman was kind enough to give notice of this question. No order in council has been passed regarding enlistment in the armed forces in Spain or elsewhere, nor has the government contemplated passing any such order in council without first bringing the question before parliament.

In order to make the information more complete, and as it relates to the same subject, on behalf of the Prime Minister (Mr. Mackenzie King) I desire to answer immediately a question asked by the hon. member for Three Rivers (Mr. Gariépy), being question No. 19 on the order paper, which reads:

1. Has the government given consideration to a speech delivered by the Honourable Maurice Duplessis at Three Rivers and published verbatim in "Le Devoir" of January 26, 1937, in which he said:

"I declare that in our province communistic recruiting has been going on, that our young men have been enrolled to fight for the communists in Spain, that Canadian passports have been procured for them for Spanish ports, not for one or two young men, but for several, which shows that an organization exists, and indicates that there is something lacking somewhere."

2. Is it the intention of the government to investigate these assertions concerning the issue of passports, as mentioned in this speech?

In reply to a question by the hon. member for Kindersley (Mr. Elliott) on January 19, I stated:

In view of recent developments, the question whether any special action should be taken regarding the control of enlistment in Canada for military service in foreign countries has been under examination. Canada is not included in the twenty-seven countries, all European states, which are represented on the non-intervention committee organized to deal with the Spanish situation, and which has made recommendations to the governments represented thereon for the prohibition of the substantial enlistment on both sides in the Spanish conflict which has taken place from European centres. The question, however, will continue to be given consideration.

I added that something more would be said on the subject later on. The whole question of the control of enlistment as well as the related question of the export of munitions has been under consideration by the government for some time past. As regards enlistment, members of the house are aware that the Foreign Enlistment Act, passed by the parliament of the United Kingdom in 1870, extends to Canada. The government concluded it would be desirable to propose Canadian legislation on this subject. After examination of the question by a technical committee, instructions were given for the drafting of a bill, which will shortly be introduced.

As regards application to Spain, I may say that the main section of the act, section 4, provides a penalty for enlistment or inducement of enlistment of a British subject within or without His Majesty's dominions, in the military or naval service of any foreign state at war with any foreign state at peace with His Majesty; the fifth section provides penalties for embarking for such purpose, and other sections deal with shipbuilding and fitting out naval or military expeditions against the dominions of any friendly state. It had been generally held that the prohibition of enlistment or recruiting did not apply to a civil war. This month, in pursuance of its endeavours to secure the acceptance by European states of the policy of non-intervention in Spain, the government of the United Kingdom issued a statement indicating its opinion that the act, and particularly the sections penalizing enlistment or inducement, or embarking for the purpose of such enlistment, are applicable in the case of the present conflict in Spain. As the Canadian government had already decided to introduce legislation on the general subject, it was considered advisable to deal with such specific questions in that connection.

As regards the issue of passports, I am informed that for some months past no application for a passport has listed Spain among the countries to be visited, and no passport has been issued to any person who has indicated Spain as one of the countries of destination. The procedure as to passports will be brought into conformity with any legislation that may be passed by parliament.

PARLIAMENTARY SECRETARYSHIPS

On the orders of the day:

Mr. T. C. DOUGLAS (Weyburn): In the absence of the Prime Minister (Mr. Mackenzie King) I should like to ask the Minister of Justice (Mr. Lapointe) the following question: The speech from the throne last year promised a bill to provide for the creation of parliamentary secretaryships. This bill was not presented to the house last session. Does the government propose to submit such a bill to the house during this session?

Hon. ERNEST LAPOINTE (Minister of Justice): If my hon. friend is agreeable I will submit his question to the Prime Minister (Mr. Mackenzie King) for reply when he is back in the house.

HOME IMPROVEMENT LOANS

PROVISION TO ENCOURAGE REPAIR OF RURAL AND URBAN DWELLINGS

Hon. CHARLES A. DUNNING (Minister of Finance) moved that the house go into committee to consider the following proposed resolution:

That it is expedient to introduce a measure to guarantee approved lending institutions against losses which they may sustain as a result of home improvement loans made by them, to limit the liability of the government of Canada in respect of such guarantees to not exceeding fifteen per centum of the aggregate amount of home improvement loans made by any such approved lending institution and to not exceeding seven million five hundred thousand dollars.

Motion agreed to and the house went into committee, Mr. Sanderson in the chair.

Mr. BENNETT: Perhaps the minister will give us as clear an explanation as he can of the whole situation. I thought it might be preferable that that be done now, when questions may be asked if necessary, rather than that time should be taken up in a discussion of the matter before going into committee.

Mr. DUNNING: At this stage would the committee prefer a general statement, which later could be dealt with when the bill is in committee? Details can be much better examined, of course, when the bill has been brought down, but I agree that in connection with new legislation it is desirable at this stage of the proceedings to indicate broadly what is proposed.

The bill which this resolution precedes is designed to secure legislative sanction for the administration of a plan which has become widely known as the home improvement plan. Briefly stated, the bill asks authority to give a limited government guarantee to loans made in accordance with certain stipulated conditions which will be found in detail in the bill itself, by approved lending institutions for the purpose of making repairs, additions and improvements to urban and rural homes. The guarantee is to be limited to fifteen per cent of the total amount of the loans made by any approved lending institution, and in any case the authority to the government to guarantee is limited to $7,500,000 in the aggregate. This means that the total amount of loans to be subject to guarantee can not exceed $50,000,000. In the bill also, Mr. Chairman, will be found a provision reserving to the government the right to announce at any time that no further loans will be guaranteed.

The plan itself is based upon a recommendation made by the National Employment Commission as a result of extensive investigations into methods of absorbing the unemployed in this country, and into the operation of a similar plan in the United States of America during the past two years.

The recommendation was made by the commission and accepted by the government on the 9th of September, 1936, on which occasion the Prime Minister (Mr. Mackenzie King) made a public announcement in which he stated that the plan in its financial aspects would require parliamentary sanction under new legislation and that such legislation would be introduced into parliament at this session.

The announcement made by the Prime Minister on that occasion met with an enthusiastic response in, I think, all sections of the country. Many requests were received that the plan should be made effective at once in order that its beneficial effects might accrue during the winter months when unemployment tends to be most severe. Under date of September 28 the president of the Canadian Bankers' Association, acting on behalf of all the chartered banks, wrote to me as Minister of Finance stating that the banks had agreed to cooperate fully with the dominion government in carrying out the plan, and moreover that they were willing to commence making loans on their merits without awaiting the legislation, provided they had the assurance that the necessary legislation would be introduced and that it would be in such form as to make the dominion guarantee retroactive to cover loans made in accordance with the approved conditions prior to the passing of the necessary legislation.

The plan as originally announced had suggested a financing charge not in excess of the discount rate of five per cent for a one-year loan repayable in equal monthly instalments, and proportionate rates of course for longer periods. This was the maximum originally contemplated by the employment commission, and is the rate which was and is still allowed under the United States scheme. While the five per cent rate was intended by the employment commission only to be the maximum, and while such small instalment loans entail a great deal of detail work by way of both investigation and collection, it appeared to the government to be unnecessarily high for the effective working of the plan. Representatives of the banks were therefore called for conference at Ottawa to discuss their offer of immediate assistance and to consider the conditions which would have to be imposed in order to make the loans eligible for guarantee, including the maximum interest charge.

I would be stretching the truth somewhat if I were to say that the banks enthusiastically welcomed the government's proposal to reduce the maximum financing charge from a five per cent to a three and a quarter per cent discount rate, but I can at least pay the tribute to the banks that when they were fully apprised of the government's intention and desire to make the plan a complete success, they willingly accepted the low interest rate as their contribution to a great national cooperative undertaking, and assured us that they would give the government their wholehearted cooperation in making the plan a real success. I think it is a matter of common knowledge that in the last few months the banks and other lending institutions have been living fully up to this undertaking.

When the conditions imposed had been accepted by the banks, under date of October 15, I wrote to the president of the Canadian Bankers' Association giving him the assurance that the government would introduce the necessary legislation at the next session of parliament, and that the legislation would be introduced in such form as to make the guarantee retroactive to cover loans made prior to the passing of such legislation, provided the loans were made in conformity with conditions approved by the Department of Finance and conditions which, of course, will be embodied in the legislation. On the basis of this assurance the home improvement plan has been in operation since about November 1, and the figures as to loans from November 1 to December 31, during the first two months of operation, as reported to the Department of Finance, indicate that up to that time $1,200,000 has been loaned in small amounts, and that, if my memory serves me correctly, about 3,600 loans had been made during that time.

Mr. HEAPS: Has the minister the figures as to loans to provinces?

Mr. DUNNING: I have not that information before me, but will have it when we are in committee on the bill. I shall have information by provinces, by cities, the average amount of loans, and analyses of any kind that might reasonably be issued from the standpoint of information required. However I have not the information sought at this stage, and am attempting merely to give a general survey.

I believe the first two months' experience should assure the committee as to the future success of the plan, and I believe there is wisdom in putting it into operation during the late fall and early winter months. I am sure the Minister of Labour (Mr. Rogers) will confirm the opinion of the employment commission. After studying the matter exhaustively they have found that approximately eighty cents out of every dollar ex-

pended in the project is expended on labour used at some stage of the proceedings. When the bill is under discussion I shall be pleased to table the correspondence with the president of the Canadian Bankers' Association.

Perhaps it is sufficient for me to say at this time that the plan provides for loans to owners of rural and urban homes in order to assist them in financing repairs, additions and improvements. The loans shall not exceed $2,000 on any single property. A provision in the bill to be laid before the house, however, will suggest a somewhat higher maximum with regard to multiple family houses. Another provision will be that the loans shall be made for terms not in excess of three years, except with respect to loans in excess of $1,000, where the maximum term may be five years. All loans are repayable by equal monthly or other convenient periodic instalments.

The bill will provide that the maximum financing charge shall not exceed a discount rate of three and a quarter per cent for a one-year loan repayable in equal monthly instalments, and proportionate rates for longer periods. The loans are based on the character and income of the borrower, and no security by way of collateral or endorsement is required. Furthermore we have attempted to devise a simple procedure in order that the plan may be available to home owners in every community, with a maximum of convenience and economy.

Although I believe the purposes behind the development of the home improvement plan are familiar to all, they may be described as (1) to absorb unemployment, particularly in the building trades where unemployment is most heavily concentrated; (2) to stimulate a revival of the construction industry, which, as every hon. member knows, has been one of the laggards among Canadian industries in the recovery movement, and (3) to make it possible for home owners throughout Canada to make long-needed repairs and improvements to their homes.

With regard to the experience in connection with a similar plan in the United States, may I say that in that country the plan is known as the modernization credit plan, and was initiated in the summer of 1934 under title one of the Federal Housing Act. It has now been in operation for over two years, and has met with striking success. In the first twenty-two months of operation, namely up to June 1 of last year, a total of 1,056,000 individual loans had been made in the United States for an aggregate amount of $382,000,000. In an official booklet issued by the federal housing administration of the United States under date of July 20, 1936, the following statement is made:

> Losses of the 6,289 financial institutions which have made loans under the modernization credit plan and which have been paid by the federal housing administration have to date totalled less than one-half of one per cent of the total amount of their advances. A survey made in the early part of 1936 showed that these loans on the whole had had an excellent record for prompt repayment. At that time only a fraction over two per cent of the total number of loans were in default thirty days or more. A total of 4,333 financial institutions reported that they had no accounts that were delinquent thirty days or more.

That is the experience of the United States plan up to June of last year, as officially reported.

Later information indicates that by the end of 1936 close to $500,000,000 had been borrowed under the plan in the United States, and the authorities there estimate that for every dollar borrowed, private capital has spent an additional $3. On that basis they have arrived at the conclusion that a $2,000,000,000 construction repair program has apparently been the result. No up-to-date figures as to actual losses in the United States are available, but it is estimated by the authorities of that country that they are still less than two per cent, and that the actual eventual loss to the government will be under one per cent.

In the original United States plan the government of that country guaranteed the lending institutions against loss up to twenty per cent of the total amount of loans. Later the insurance against loss was reduced in that country to ten per cent, and provision was made for increasing the limit of loans up to $50,000 with respect to certain larger properties such as apartment houses, manufacturing and industrial plants, colleges, churches, hospitals, business and commercial buildings, and so on. In this legislation we are not contemplating going beyond the home.

In connection with the amount of the guarantee, I would say that while we have provided in the legislation and in the resolution now before the committee for a guarantee up to fifteen per cent of the amount of the loan, judging from the experience in the United States I believe that the losses incurred will be only a fraction of that amount. However, it appeared essential that if we were to achieve the success we had in mind we should remove any hesitation which might otherwise be evident in the attitude of the lending institutions. Consequently, a fifteen per cent guarantee is asked for. I think the attitude of the lending institutions is at least in part the result of this decision, especially

in view of the fact that in the United States the lending institutions secure a much higher rate on the government guarantee home improvement scheme than we are proposing to allow under the legislation of which this resolution is a necessary preliminary.

This is all I wish to say in the way of a general statement. I think the details with respect to terms and conditions and standards and all the rest of it can be discussed much better when the bill is in the hands of hon. members. The bill will be distributed just as soon as the resolution is concurred in.

Mr. POULIOT: Mr. Chairman, I listened with great attention to the explanations given by the Minister of Finance (Mr. Dunning). Every hon. member of this house is favourable to the improvement of Canadian homes, but it seems that such improvements should be made by those who already have the money to make them. There are thousands and thousands of men throughout the country who have money deposited in the banks, and who are keeping it there instead of spending it on home improvements. Since 1930 many people have been sitting on their money instead of spending it. They have been waiting for the proper time to spend $1,000, $2,000, $5,000 or perhaps $10,000 to build a barn, to purchase land for a son, to paint a house, to build a store, and so on. They are not yet spending their money as freely as they did when this government was previously in power before July, 1930. The Minister of Finance (Mr. Dunning) left the people of Canada a wonderful souvenir when he presented that budget which showed a surplus of over $40,000,000. That was a long time ago, and we have passed through some strenuous years.

Before giving an opportunity to people who have no money to get some from the banks, it would be much easier to induce those who have money to spend some of it. The results can be seen from the bank clearings. The last year my hon. friend was minister of finance, before July, 1930, the bank clearings amounted to $20,000,000,000. The year after, under the guidance of the leader of the Conservative party, who was then minister of finance, the bank clearings dropped down to $15,000,000,000. People got very tight with regard to money matters because they had very little confidence in the government of the day.

Before passing such legislation as is proposed, two things should be done. First, we should fire all the Tories which the previous government put into strategic positions, and, second, we should repeal every piece of legislation passed by that government. If that were done, public confidence would be restored and people would begin to spend their money more freely. It is all very simple: we do not need any legislation. Fire the Tories and drop the Bennett legislation into the wastepaper basket. Then the people throughout the land will breathe easier.

This is one of the ideas of the employment commission. I do not believe in supermen or wizards. The chairman of this employment commission is a so-called wizard, but we do not need any wizards in this country. What we need is people with common sense.

An hon. MEMBER: Hear, hear.

Mr. MacNICOL: When the hon. member refers to common sense he looks over to this side.

Mr. POULIOT: I was not referring to the hon. gentleman, but if I were it would be in connection with "cents." I was referring to "sense." This idea really came from the hon. member for Essex West (Mr. McLarty), who suggested it to the chairman of the commission. Here is what will actually happen. Joe has poor credit while John has good credit at the banks. They will both go to the bank to try to get $500 to improve their homes. Joe will get nothing because his credit is no good, while John will get the $500 he asks for. But he would get it even if there was no such legislation. If his credit is good he will get the money right away, whereas if his credit is no good, he will get no money from the bank. All this legislation actually changes nothing. We will have to come back to the good old policy of firing all the Tory strategic men and dropping the Bennett legislation into the wastepaper basket. When that is done business will be good throughout the land.

The second idea brought forward by the employment commission was the classification of the unemployed. This idea was suggested by the member for Témiscouata. He carried on this classification himself, and then it was continued very efficiently by the Minister of Labour (Mr. Rogers). This work was done without the help of the commission; the ordinary staff in the department were able to do all that was necessary. Since September this work has been in charge of the employment commission, but we have heard nothing of it. It is being done by wizards, which probably means that it will never be seen. Work like this should be done right away and not continued over the centuries. I suggest to the chairman of the employment commission, to spend some time on this idea of the classification of the unemployed. Let

him work on it instead of making useless speeches on the housing scheme. This is my very humble suggestion about the matter. I may say that I do not believe in the enactment of more legislation; there is already too much of it. A very eminent financier, Mr. Thomas Bradshaw, has spoken of the enormous number of laws that we have in this country, laws that nobody is supposed to ignore. Next session it would be better, and I suggest this to the government, if they simply brought down the estimates and the necessary bills to ratify trade agreements. Let us try a session like that, without futile legislation, and the country, I am sure, will be all the better for it.

Mr. BENNETT: Mr. Chairman, the minister has referred to certain letters. I think it might be well to observe the rule and table them now, so that we shall have an opportunity to see them before the bill is brought down. The rule requires that in any event.

Mr. DUNNING: I was intending to comply with the rule, and I indicated—

Mr. BENNETT: After they have been referred to, they should be tabled.

Mr. DUNNING: I shall be pleased to send for copies—I haven't them here—and they will be available at the bill stage of the proceedings.

Mr. BENNETT: I think, Mr. Chairman, it will be found that the three and a quarter per cent discount is a misnomer. Some of the borrowers have informed me that the rate actually paid more nearly approximates twice that. It is a misleading term.

Mr. DUNNING: Because of the importance of it, in order that there may be no deception, in all of the publicity the two rates will be given: the three and a quarter per cent discount rate, with the explanation of the manner in which it works, and its equivalent in terms of simple interest, which amounts to something just over six per cent. The rate in the United States is five per cent discount, which works out at a trifle over ten per cent simple interest. In Canada it is three and a quarter per cent discount, which works out at 6·13 per cent, I think, in terms of simple interest—I may be out a fraction.

Mr. HEAPS: Mr. Chairman, I think generally speaking the people of this country will welcome the legislation which is to be founded on this resolution, in fact it is long overdue. It is true that the National Employment Commission may have suggested it to the government last year, but the Minister of Finance as well as other hon. members will recall that the housing committee of this parliament which sat in 1935 recommended that loans of this kind be made for the purpose of improving properties throughout the dominion.

I might point out also, in view of certain criticisms that have been made here this afternoon, that the greater part of the loans so far requested by people who own homes have been made, if I am correctly informed, in the province of Quebec. I know of none who requested such legislation more insistently than did the representatives from the province of Quebec, and I think there will be no province in Canada which will take advantage of these loans to a greater extent than the province of Quebec.

The Minister of Finance in his remarks this afternoon said that this money would be loaned for the purpose of improving individual homes. I am not quite clear how the minister will define individual homes. What I have in mind at the moment—

Mr. DUNNING: If my hon. friend has in mind the multiple family house, provision will be made for that.

Mr. HEAPS: No. What I had in mind was the returns that were laid on the table or the answers that were made to questions last year, showing that the loans that were made under the housing act of 1935 were for the most part much larger amounts than were required for the building of individual homes. Loans of $20,000 and $30,000, and in many cases more than that, were made. I am speaking from memory, but I think the Minister of Finance will find that I am not very far out.

Mr. DUNNING: Just on that point, and also speaking from memory—I will bring down the information at a later stage although it is not really relevant to the matter under review, because the housing act as my hon. friend knows, is an entirely different statute—the average loan under the housing act was in the neighbourhood of $4,000.

Mr. HEAPS: Per house?

Mr. DUNNING: In that neighbourhood, yes.

Mr. HEAPS: I do not want to go into that further now. Last year I wanted to go into the operation of the housing act, but no opportunity presented itself, not even on the estimates, if I remember correctly; therefore nothing was ever said about it. What I want made clear at the moment is this: The minister has spoken of individual homes. Will these loans go for homes either single

or duplex, and not for large buildings, the owners of which perhaps may want to take advantage of the lower rate of interest? Personally I have no objection to apartment houses coming under the scheme provided there are reasonable guarantees for the government and the lending corporations. I think we ought to have information from the minister on that point.

Mr. DUNNING: Perhaps my hon. friend would be good enough to leave it until the bill is before us, because all the various qualifications necessarily appear in the bill itself, and I think the reading of it would save the asking of a number of questions. I cannot offhand answer that particular question in detail, but I know that provision is made for it.

Mr. HARTIGAN: I want to bring to the attention of the Minister of Finance one feature of the act that was in operation last year, because it offers a very serious impediment to proper administration of the act. The clause to which I refer, which withholds the benefits of the act from a certain large class of our population, stipulates that the person borrowing the money must be steadily employed. Automatically that rules out, whether intentionally so or not, the shore fisherman on the Atlantic seaboard. I do not know what is being done on the Pacific coast, but on the Atlantic coast and in the maritime provinces the banks are taking advantage of the fact that a man must be steadily employed before he can come under the act. We all know that a fisherman's occupation is seasonal, and the amount he receives in any year depends on what he gets for his catch. The homes of our fishermen are badly in need of rehabilitation. A great many of them are living in buildings that would not be tolerated by any other class of the community except those living in the outports of the dominion. This is one clause of the act which I think calls for revision.

Mr. DUNNING: I think my hon. friend (Mr. Hartigan) must be speaking of the housing act and not of the proposed legislation with respect to home improvements, which of course as yet has no existence.

Mr. HARTIGAN: No, I am speaking of the alteration and improvement loans that we had during the past year.

Mr. TOLMIE: Is it the intention of the government to issue loans strictly on the merits of the property in question, or are certain districts to be favoured first? I ask the question because in the neighbourhood of Victoria when some people have applied for loans they have been informed: We propose, to begin with, to lend only in certain districts, ignoring others. I consider that is hardly fair, and I would like to know what is the intention of the government.

Mr. DUNNING: My hon. friend is confusing this proposed legislation with the present housing act. I have had no such complaint with respect to the two months' operation of the home improvement plan. Under the housing act, as my hon. friend knows, the complaint he is now making was a very general one, especially in British Columbia. But any owner of a home, who is credit worthy and desires to make improvements, can get from a chartered bank or any of a number of other institutions, details of which I will give on the bill, a loan under the terms of this home improvement plan, which is entirely separate and distinct from the housing act.

Mr. TOLMIE: I thoroughly understand that. I know quite well the property to which I refer. I sold the land, to begin with, on terms to the man who proposed to build the house, so that I am fairly familiar with the situation. What I was asking was whether it was the intention to favour certain districts or to lend them money on the merits of the property in question. In this case the man is a first class risk; I regarded him as one to whom a sale could be made on credit. He has constructed his house to a certain point, but it is not finished, and he wants to take advantage of this scheme in order to complete the building.

Mr. DUNNING: I can hardly understand, under the circumstances referred to by my hon. friend, how a man could be refused a loan under the home improvement plan by any branch of any chartered bank, because that is the basis of the scheme. There may be something in connection with the credit worthiness of the individual concerned about which I know nothing, and about which, perhaps, my hon. friend knows nothing. If loans have been refused for any other reason than that the borrower is not in the view of the lending institution credit worthy, or that the money is not to be used for the purpose contemplated by the scheme, I have not heard of it. These are virtually the only two valid reasons for refusal of loans, and one of the things that have pleased me most is the very small number of complaints of people not being able to make use of the facilities provided for by the plan. I have felt up to now that the banks and other lending institutions concerned have been cooperating whole-heartedly in getting it going

in a large way. There will be cases, of course, where a prospective borrower will think he ought to get credit when the lending institution thinks he is not likely, for reasons which appear good to them, to be able to repay the loan. We are not compelling the lending institutions to lend where they do not think a loan would be repaid; they must have reasonable confidence of that. I take it, in the case that my hon. friend mentions, he at any rate would be willing to lend the money, because the borrower is a good risk, and if that is so there should be no reason why the borrower cannot demonstrate to a bank that he is a good borrower and, provided he comes within the terms of the scheme as provided by the bill which will be introduced following this resolution, he should be able to get the loan.

Mr. TOLMIE: I shall be glad to give the minister further particulars in the form of a letter.

Mr. DUNNING: Thank you.

Mr. HEAPS: I should like to know whether the lending companies take any lien on a property for any loan they make.

Mr. DUNNING: None whatever. The only security is the individual's note. No endorsement is required.

Mr. McGREGOR: Does the minister mean that anyone can get a loan without someone else backing his note?

Mr. DUNNING: Absolutely; that is what I say. This scheme is devised for the individual on his own credit, without endorsement and without collateral security. That is why the government is standing behind the scheme,—in order to make it easy for people who have character and credit, and can assure the bank of their ability and willingness to repay, to get a loan without note or collateral, in the simplest possible way. That is why the scheme has started off so successfully. In spite of the winter season, $1,200,000 has been lent in small amounts in less than two months. All this, of course, will develop during discussion of the details of the bill itself.

Mr. McGREGOR: That is not being carried out in my constituency. Anyone who applies for a loan must have someone to back his note before he gets the money.

Mr. DUNNING: If it is a loan under this plan?

Mr. McGREGOR: Yes.

Mr. DUNNING: Well, a bank making such a loan cannot qualify for the guarantee of the government.

Mr. McGREGOR: I can tell the minister that the fact is as I have stated, because I personally have backed two of the notes.

Mr. DUNNING: I should like to have the particulars, because one of the conditions is undoubtedly the one I have stated. It will be possible to discuss this more intelligently on the bill itself, but if the loan is under the provisions of this plan unquestionably a borrower does not require an endorsement.

Mr. McGREGOR: I will give the minister the details, including the name of the bank, when the time comes.

Mr. LOCKHART: May I support what has been said by the hon. member for Victoria, B.C., (Mr. Tolmie), and also pass on a suggestion to the Minister of Finance (Mr. Dunning)? In my particular vicinity there are two areas which in the past five years have been considered rather poor localities from the point of view of security. I personally supported one applicant to whom I would quite readily make a loan if I had the money, and who required it to repair his house. The bank, taking the attitude they have maintained for the last five years, said that the locality did not warrant a loan, although the man was definitely of a good type to whom money could be lent, and is well employed. It may be said that the banks are justified in taking this attitude, but I bring the matter to the attention of the minister so that in his instructions to and deliberations with lending institutions he may point out that where a man is financially in a position to borrow, the locality of his residence should not particularly affect his entitlement to a loan.

Mr. BENNETT: Perhaps there has been a little misunderstanding on the part of some of those who have spoken. The government has not undertaken under this plan to direct that banks shall make loans. The banks must make their own decision, based upon the exercise of discretion.

Mr. DUNNING: Right.

Mr. BENNETT: But if they do make the loan—without endorser, too; they have no right to ask for an endorser or for a second name—the government underwrites it to the extent of fifteen per cent against loss. The plan, as has been pointed out, is not entirely new, and it is predicated on the assumption that the institutions will lend money. They are not compelled to lend it; there is nothing at all in this resolution which provides that. It merely means that if I walk into a bank and say I want a

thousand dollars to improve my home, the bank advances me $966.50—roughly that is what I get—keeping back three and a quarter per cent bank discount. Thereupon I execute an agreement to repay the $1,000, not the $966, in monthly instalments upon which interest is computed.

Mr. DUNNING: No, my right hon. friend is wrong there. Interest is not computed; the discount takes care of it.

Mr. BENNETT: But what I am pointing out is that, extended over a period of months, the ten dollars, or whatever the amount is, certainly represents some part of the additional interest; otherwise you would not have your six per cent. I think however it is only confusion of detail, not of principle. If I meet my engagement promptly, then of course it is just a banking transaction between the bank and myself, but if at the end of the given time the bank finds that fifteen per cent of its advance has not been paid, up to that point the government will reimburse. The government may be obliged to reimburse the bank under this guarantee to the extent of $150, if the loss amounts to $150. I have not yet had a chance to go into the legislation, but there are always questions of subrogation of the government and matters of that kind, which will be considered in the bill itself. Were any orders in council issued giving effect to these arrangements between the government and the lending institutions?

Mr. DUNNING: No. I think the correspondence which I have mentioned covers it all. I am not positive of that, but almost positive.

Mr. THOMPSON: No member of this committee is more anxious to see our working men better housed than I am, but I believe this bill is starting at the wrong end. I am confident that there are sufficient funds awaiting investment in the hands of private individuals to build all the houses necessary in this country, but these funds are not so used because if a man builds a house in any city or town in Canada he cannot sell it for more than fifty per cent of what it cost him. That is where the trouble lies. Years ago a man could buy a lot, build a house and rent it and make some money out of it; to-day the costs of labour and material and taxes are so high that it is impossible for people to make such investments profitably. Some relief from taxation on real estate would help a great deal in the matter of the expenditure of money for the building of houses for our people. It would not then be necessary for the government to enter into any building scheme.

[Mr. Bennett.]

Mr. PELLETIER: I would like the minister to define what he means by the term "home improvement."

Mr. DUNNING: I would appreciate it if my hon. friend would wait for the bill, because the bill itself goes into considerable detail as to what is covered by that term. It is one of the most difficult things to apply limitations to, and I have not the bill before me at the moment.

Mr. SENN: Will these loans be available for farmers?

Mr. DUNNING: Yes.

Mr. ESLING: This discussion is simply leading to confusion as between the housing act and home improvement loans. To my mind this home improvement proposal is the most sensible and practical one which has ever been put into legislation. In the first place it relieves the government of overhead charges; it places the responsibility upon the banks. No hon. member can expect a man to be able to go into a bank and borrow money unless the bank thinks the loan will be repaid. The man must be a home owner to start with. The difference between this proposal and the housing act is that the lending companies who lend money for the construction of a house consider material collateral. In this matter they simply consider a man's moral worth and likelihood of repayment of the loan. And it is not a matter of thousands of dollars but of a few hundred—to improve one's bathroom or kitchen, to add a room, and so on. As for private loans, one hon. member suggests that there is plenty of private money available. Let me tell you, you can have plenty of difficulty in getting a private loan, and the rate of interest will be higher than it will ever be on a loan from a bank, if your moral standing is good.

Mr. MacNICOL: I should like to know whether the bill will cover a case like this: I have in mind a very worthy and thrifty working man who came here from the old country—he is perhaps only one of many in the same class—who bought a piece of land, paid for it, and commenced to build a little home. In the first place I believe he built two rooms. He saved a little money and added two more rooms. In the building of the house the roof necessarily had to be flat, because it was only one storey. Now he desires to add another storey and have a hip roof, and to modernize his plumbing a little. He has no debt of any kind; his property is clear. What would that man, who at the moment requires something less than $750 on a

property worth $3,000 or $3,500 have to do to borrow the $750? Could he go to a bank or lending institution, get the money and proceed with the work without engaging a solicitor or someone to intercede for him when the loan is being negotiated? If the bill covers such a situation as this I can see that it will be of tremendous benefit to hundreds, perhaps thousands, of working men of the class I have mentioned, and will result in considerable increase in employment in the building trades and allied industries, such as lumber, hardware, plumbing supplies, and so forth.

Mr. DUNNING: It is very difficult to give an answer with respect to a specific case, especially in view of the fact that my hon. friend approaches the matter from the wrong angle. He speaks of the value of the property, which is free of encumbrance. That has nothing to do with the home improvement loan scheme, because the bank cannot take security on the property. My hon. friend will see that the factors entering into the bank's decision to make the loan cannot comprehend any collateral, because the scheme bars collateral and bars endorsements. If the man in question, having a house such as my hon. friend describes, is in a position to show the bank that there is reasonable prospect of his being able to repay the money according to his contract, certainly the bank can qualify for a guarantee from the government under the home improvement scheme for the kind of improvement which my hon. friend has outlined. Do I make myself clear?

Mr. MacNICOL: This particular man is a civic employee; he works perhaps ten months a year, and is very thrifty. Plenty of people will lend him the money on mortgage, but being an old country Scotsman he does not want to mortgage the property. What I want to know is, will he be able himself to go to a bank and get a loan under this scheme? If so, the bill will be of great benefit.

Mr. DUNNING: I would not like to say that he can get it, because I know nothing of the credit standing of the man.

Mr. MacNICOL: His credit is A-1.

Mr. DUNNING: But I am not the judge of that; the bank is, as the right hon. leader of the opposition pointed out. As long as a man's credit standing is good; as long as his character is good enough to warrant the bank lending him money on his sole note, he does not need to go to a lawyer, and the bank cannot take a mortgage under this scheme. I think that is the answer to my hon. friend.

Mr. BENNETT: It is intended for properties that already have mortgages on them, I think.

Mr. DUNNING: Yes.

Mr. WILTON: Unless this government or the provincial governments are in a position to regulate to some extent the activities of the municipalities in regard to assessments I am afraid this bill will not attain the success it so richly deserves. For example, a man finds it convenient or necessary to make some improvement to his home. He goes to the bank and, on his good credit, succeeds in securing a loan to the extent of $300, $400, $500 or $1,000. He then adds to the value of his house by the erection of a verandah, we will say, on the front, or by some other improvement to the extent of his loan, which we will say amounted to $500. A little later along comes the local assessor. He looks at the house and says, "It is a thousand dollars better than it was," so he raises the assessment by a thousand dollars. This sort of thing is going to discourage householders, I am afraid, who may desire to take advantage of this scheme, and I think something should be done to put a stop to it.

Mr. DUNNING: In fairness to the provinces and municipalities I should say that since the scheme has been mooted province after province and municipality after municpality have come forward voluntarily and said that so great is the need for stimulating employment that the necessary arrangements will be made so that improvements of this kind will not be made a penalty upon the improvers, within the terms of their assessment acts. I cannot pretend to know personally how they work it out in detail, but I know that the employment commission has succeeded in getting quite a strong body of public opinion behind this thing in order to make it go.

Mr. BENNETT: They should; they are paying a man $4,500 a year for publicity.

Mr. DUNNING: Part of that body of public opinion is shown by the fact that many municipal authorities are willing to cooperate with a view to removing the disadvantage to which my hon. friend refers. I did not catch the remark of the leader of the opposition.

Mr. BENNETT: I said they were paying a man $4,500 a year for publicity.

Mr. DUNNING: I suppose he is earning it; I do not know.

Sir GEORGE PERLEY: Will the fifteen per cent guarantee apply to each individual loan? That is to say, if a bank lends a

million dollars altogether, naturally some of those loans will not be repaid. Does the guarantee of fifteen per cent mean that the government is behind the bank to the extent of $150,000 of losses?

Mr. DUNNING: It is an aggregate, not an individual guarantee.

Mr. BENNETT: It applies not to the branches of the bank but to the bank as a whole?

Mr. DUNNING: Yes.

Mr. CLARKE (Rosedale): In regard to these loans, is there any provision which will ensure that one hundred per cent of the amount borrowed will be used in the improvement of the property? Is there any provision in the bill to that effect?

Mr. DUNNING: Yes. If my hon. friend will wait until the bill is introduced I shall be glad to go into that with him, although he will understand that it rests very considerably upon the good faith of the bank in making the loan and following it up.

Mr. GRAYDON: During this discussion we have heard a good deal with reference to home owners in urban places. I should like to have the position of the farmer made clear. Does this scheme apply only to the house on the farm or does it apply to any other buildings which the farmer may desire to repair under this arrangement?

Mr. DUNNING: I can assure my hon. friend that it is not confined to the farmhouse, but if my hon. friend will be good enough to wait until the bill is brought down I think all these details will be made clear.

Resolution reported, read the second time and concurred in. Mr. Dunning thereupon moved for leave to introduce Bill No. 11, to increase employment by encouraging the repair of rural and urban homes.

Motion agreed to and bill read the first time.

DAIRY INDUSTRY ACT

Hon. J. G. GARDINER (Minister of Agriculture) moved the second reading of Bill No. 8, to amend the Dairy Industry Act.

He said: In moving the second reading of this bill, Mr. Speaker, I just want to refer to what I said on the motion for leave to introduce it. The amendments do not involve any matter of principle having to do with the Dairy Industry Act. They are very limited in extent, and might be better discussed in committee, I suggest, therefore, that the house go immediately into committee to consider the bill.

Motion agreed to and bill read the second time.

Mr. GARDINER moved that the house go into committee on the bill.

Right Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, is this one of those bills which, having regard to its relation to agriculture and to the dairy industry in particular, it would be better to have considered by the committee on agriculture? I remember that on one occasion the present Prime Minister (Mr. Mackenzie King) took the view—I did not share it at the time and I do not say that I share it now—that a bill which involved discussion of details concerning an industry such as agriculture would be better dealt with by a committee, where the members can discuss the different questions in the light of the information that from time to time may be conveyed to the committee from other sources. I merely ask the question, because I am not enough of an authority on agriculture to express an opinion.

Mr. GARDINER: I would have no objection to letting the bill go to the committee, but I would suggest that the changes are very limited. The first is just a matter of adding the word "cream" to one section where we had only "milk" before, preventing the introduction of adulterants into cream as well as milk. Another change simply takes from section 7 the amendment we made to that section last year, and puts it in section 8. The wording is practically the same, but the penalty under section 7 is from $500 to $1,000, while under section 8 the penalty is from $10 to $50. The penalty under section 7 was too high. These are the main changes. Another section of the present bill merely adds a few matters which may be dealt with by regulation.

Mr. BENNETT: In view of what the minister has said, as far as I can see there is no necessity for sending the bill to the committee. Apparently it can be dealt with here.

Motion agreed to and the house went into committee, Mr. Sanderson in the chair.

On section 1—No foreign matter to be added to milk or cream.

Mr. SENN: Would the minister state whether there have been many cases of adulteration of cream, and why the word "preservative" appears in this section? It seems to me that at times it might be difficult to get along without a preservative.

Mr. GARDINER: The word "preservative" has always been in there. The only words added are the words "or cream."

Mr. SENN: But cream, as well as milk, is included in the bill. A preservative might not be well in milk, but it might do no harm in cream. I am not prepared, however, to make a definite statement as to that. Have any cases of adulteration come to the notice of the department? Is it a prevalent custom?

Mr. GARDINER: This is a more or less technical matter. My information from officers of the department is that there has been some difficulty due to the fact that cream has not been covered by the act, and that the insertion in the section of the words "or cream" is not in any way endangered by the fact that "preservative" is mentioned later.

Mr. SENN: I am not finding fault.

Section agreed to.

Section 2 agreed to.

On section 3—Cheese.

Mr. LOCKHART: The last part of section 3 states:

. . . but nothing in this subsection shall be held to apply to portions of Cheddar cheese of indiscriminate weight, or to cheese of indiscriminate weight manufactured by individual farmers.

Will this permit farmers serving cheese to customers on the market to label as one pound packages those containing only twelve or thirteen ounces?

Mr. GARDINER: This particular section is not intended to apply to individual farmers who are selling their products. I assume there are sections in other acts which would permit the prosecution of a man who sells as a pound a weight of any product which in fact is not a pound.

Mr. LOCKHART: I have asked the question in order to clear the matter in the event of any technical point being raised. I know it has been discovered that cheeses manufactured by some farmers have been sold on the market under conditions such as I have described. So far they have got by with it, and I thought the provision in the bill might strengthen their position.

Mr. GARDINER: No, this would not strengthen their position.

Section agreed to.

Section 4 agreed to.

Bill reported, read the third time and passed.

CANADIAN NATIONAL RAILWAYS

REVISION OF ACCOUNTING SET-UP

Hon. C. D. HOWE (Minister of Transport) moved that the house go into committee to consider the following proposed resolution:

That it is expedient to introduce a measure to provide for,

(a) the surrender by the Minister of Finance of certain amounts of the capital stock of the Canadian National and the Canadian Northern railway companies,

(b) the transfer and exchange of certain shares of the capital stock of the said companies,

(c) the abandonment of certain claims against the Canadian National Railway Company,

(d) the adjustment of certain accounts affecting government railways,

(e) the setting up of a securities trust corporation for the purpose of preserving the priority rights of the dominion and its protection against future contingencies in respect to potential interest and other savings, and

(f) generally for revision of the accounting set-up of the Canadian National railway system.

Right Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, it is customary to discuss a resolution of this kind before the house goes into committee. In view of the fact that it involves many intricate matters with respect to money and finance, without in any sense committing ourselves to the principle of the resolution I am prepared to agree that the Speaker leave the chair and the house go into committee, on the understanding that by so doing we are in no sense acquiescing in what under some circumstances might become a very dangerous piece of legislation, depending upon what the legislation may be as outlined by the minister.

Motion agreed to and the house went into committee, Mr. Sanderson in the chair.

Mr. HOWE: Mr. Chairman, as the resolution indicates, the bill to be founded on the resolution involves important changes in the balance sheet of the Canadian National Railways. In the first instance it will provide for the centralization of capital stock control of the companies now comprising the national railway system, through one company, namely, the Canadian National Railway Company. At the present time the Canadian National Railway Company includes the Grand Trunk railway and about sixty subsidiary companies. On the other hand the Canadian Northern Railway Company includes the old Canadian Northern railway with about forty subsidiary companies. These two companies are entirely separate corporations, both owned by the Dominion of Canada, the only connection between them being a common board of directors.

The financing for both the Canadian National and the Canadian Northern is carried out through the Canadian National Railway Company, so that through the funding of maturing obligations and advances for capital purposes the debt of the Canadian Northern is gradually being transferred to the Canadian National, even though the Canadian National Railways have no direct stock control of the Canadian Northern Railway.

Mr. BENNETT: Does it not own all the stock?

Mr. HOWE: No.

Mr. BENNETT: The Canadian National Railway?

Mr. HOWE: No, the stock of the Canadian Northern Railway is owned by the Minister of Finance, or the federal government. Similarly the government railways are in a rather anomalous position. Under the act of 1919 the government railways were entrusted to the Canadian National Railways for management, with the proviso that the account of profits or deficits would be for the consolidated fund. In the financing act of 1923 and in subsequent financing acts this arrangement has been modified, so to-day the deficit account or profit account of the Intercolonial and other government railways is included in the consolidated balance sheet of the Canadian National Railways. But the control by the Canadian National Railways is far from definite, and this whole situation requires some clarification. The bill will provide also for the bringing of the balance sheet of the Canadian National Railways into conformity with the net debt of Canada. At the present time there is a duplication between the net debt of Canada and the balance sheet of the Canadian National Railways which has reached the staggering sum of $1,500,000,000 and which is pyramiding annually.

Mr. BENNETT: It is not pyramiding as a national debt; it is pyramiding only on the books of the railway.

Mr. HOWE: But it is pyramiding as a duplication. I have noted this frequently in financial journals and I had it brought to my attention quite forcibly a short time ago during a discussion with a prominent man who was investigating the finances of Canada. The debts of the railway are a liability of the government as long as the railway does not earn sufficient to cover them, and the usual practice by analysts interested in dominion finance is to add the net debt of Canada to the debt of the Canadian National Railways as shown in the balance sheet. If that is done the obligations of Canada are shown to be about $5,750,000,000, which is entirely incorrect. This figure is arrived at because of the duplication to which I referred. The real position is that the responsibilities of Canada with regard to debt on account of both dominion and railway obligations amount to about $4,250,000,000. I think this is a very important matter and one which should be corrected. If this pyramiding of duplicated debt is allowed to continue it is bound to affect the credit of Canada very materially, as well as the credit of the Canadian National Railways.

Mr. BENNETT: It is only the interest that is being pyramided.

Mr. HOWE: In 1932 the pyramiding of deficits was put an end to, but the pyramiding of interest goes on. When I tell you that to-day the interest alone, which is included as funded debt of the railway, amounts to $495,000,000, you will appreciate that it is pyramiding in an extraordinary way.

Mr. HEAPS: Has money been borrowed to meet these interest obligations?

Mr. HOWE: This interest has never been paid and has never been shown on the government books as due. Under the legislation governing the accounts of the Canadian National Railways it must be shown as a debt of the railway in the balance sheet. To that extent it duplicates the national debt.

Mr. HEAPS: Have there not been occasions when the government was obliged to borrow in order to meet the indebtedness of the railway?

Mr. HOWE: This has no relation to the obligations of the railway to private investors.

Mr. HEAPS: I was referring to interest charges alone.

Mr. HOWE: Perhaps I should trace the source of this duplication. Prior to the taking over of the component parts of the Canadian National system, that is, the Grand Trunk Railway and the Canadian Northern Railway, certain money was lent to these railways and the government took interest bearing bonds in return. When the railways were acquired by the government the government continued to advance money for capital and deficit purposes, taking interest bearing notes to cover these advances. In 1920 the then Minister of Finance, Sir Henry Drayton, took the view that the likelihood of obtaining a return of the capital and the interest on these obligations was remote and that these advances should not be shown as an active asset on the

books of the government. At that time he included in his annual budget a fund sufficient to bring these sums into the net debt of Canada. However, there was one logical step he did not take at that time, and that was to write these amounts out of the capital of the Canadian National Railways. That is where the duplication started, when these debts were taken over by the net debt of Canada and were perpetuated in the balance sheet of the Canadian National Railways.

As I say, up to 1932 this situation was allowed to go on and there was pyramiding both of advances for deficit and for interest purposes. These amounts continued to be added to make up the sum which we are now discussing. In 1932, as a result of a recommendation in the Duff report, the Canadian National-Canadian Pacific Railway Act was passed, which provided that the deficits of the railway should no longer be funded. To that extent pyramiding was stopped, but the pyramiding of the interest on funds previously advanced still continues. The bill proposes to adjust this matter by writing out of the balance sheet all accumulations of interest on borrowings from the government. About $361,000,000 was advanced to cover operating deficits and about $284,000,000 was advanced for capital purposes. It is proposed to write out of the balance sheet the $361,000,000 advanced to pay yearly operating deficits. I think it is obvious to all of us that an operating deficit is lost capital, that the replacement of that capital is not adding to the earning power of the railway and is not a payment which can properly be funded. As a matter of fact I believe that the company law of Canada provides against the issuing of common stock for sums advanced to a company for the payment of deficits. If that is true, the issuing of bonds for sums advanced for that purpose is even more improper.

With regard to the $284,000,000 advanced by the government for capital purposes, that is, for the purpose of adding to the earning power of the railway, it is proposed to retain this in the balance sheet as an owner's equity. When we consider the set-up of the railway in general and the large debt to private investors, I think there is no doubt that the investment of the government in its railway is really an owner's equity rather than a funded debt. It is a common stock equity instead of an equity that should be carried in the form of an interest bearing funded debt. That is how it is proposed to treat it.

With regard to the capital stock of the Canadian National Railways, the company now has outstanding $165,000,000 of common stock which is wholly owned by the government of Canada. This stock was obtained in exchange for the stock of the Grand Trunk Railway, that is the common and first and second preferred stocks. A properly constituted board of arbitrators found that this stock of the Grand Trunk Railway was worthless; consequently the stock of the Canadian National Railways issued in exchange is also worthless. I do not think there can be any doubt about that. It is proposed that this stock shall be surrendered and cancelled in full.

The Canadian Northern Railway has outstanding $100,000,000 of common stock. The position of this stock was also reviewed by a board of arbitration which found that sixty per cent of the stock was worth $10,800,000.

Mr. BENNETT: Fifty-five per cent, was it not?

Mr. HOWE: Sixty per cent, I think. I believe the government owned forty per cent, which it had obtained in compensation for guarantees and one thing and another.

As I was saying, the board of arbitration found that sixty per cent of the stock of the Canadian Northern Railway was worth $10,800,000, which would make the total stock of the railway worth about $18,000,000. It is proposed to surrender $82,000,000 of this stock which has no value, and to write into the balance sheet the remaining $18,000,000 of stock which was found to have full value. This $18,000,000 will be exchanged for new stock of Canadian National Railways, which will represent common stock ownership of the railway, and which of course will be wholly owned by the dominion government.

That is a brief outline, Mr. Chairman, of the changes in the balance sheet. Of course, when the bill is brought down, the details will be shown, with very complete explanations in the bill. In any event the bill will be sent to the committee on railways and shipping, where it will be studied very fully.

Mr. BENNETT: The minister might deal with paragraph (e).

Mr. HOWE: That deals with the securities trust corporation. I may say, Mr. Chairman, that the revision of the capital structure has been before the house on many occasions, and has always been the subject of debate when the Canadian National Railway estimates have been before the house. The reports of the committee on railways and shipping also indicate that similar discussions take place there every year. The government has always taken the view that no change in capitalization could properly be

made as long as any feature of the Canadian National accounts was in dispute; that is, as long as lawsuits were pending, the capital position of the railway should not be changed.

Mr. BENNETT: What is the present position of that lawsuit? Is it through?

Mr. HOWE: The Lovibond case, yes. I have a statement here but I think I can give the gist of it. The privy council ruled that Lovibond has no claim against the government of Canada. They also ruled that he has no case against the Canadian National Railways for having the stock of the Grand Trunk Railway restored to the books. The privy council did give him permission to sue the railway for damages, and they said in their judgment, "for what it is worth," indicating that they thought his claim was not very serious. However, in order to preserve all the priorities in the case it is proposed that the claims of the government which are being eliminated as funded debt from the balance sheet shall be preserved in a securities trust, a company within the corporate structure of the railway and the stock of which will in turn be wholly owned by the dominion government. These claims of the government that are eliminated from the balance sheet will be maintained in this securities company, where they can be used at any time to maintain the priority of the government equity as it now exists. In that way I think we can say that the priority of any outstanding security or any outstanding claim against the railway will not in any way be disturbed by the change in the capital structure now proposed.

This change in the capital structure involves no change whatever in the net debt of Canada. Any claim against the railway on behalf of the government which is regarded as an active asset is maintained in exactly the same position. The change in capital does not involve the writing out of the balance sheet of any amount that was expended on the railway for capital purposes, that is, which created an earning asset of the railway, although its position is being changed from bond interest to proprietors' equity.

In regard to the Intercolonial and other government railways which were entrusted to the Canadian National Railways, these railways are included in the balance sheet as proprietors' equity. These railways were paid for by the dominion government as they were built, and their present position in the balance sheet as a funded debt against the railway is hardly proper under the circumstances.

[Mr. Howe.]

That is a general review, Mr. Chairman, of the subject matter of the bill. The details will be printed in the bill itself, and the bill is printed with very complete explanations of the changes proposed.

Mr. ESLING: With respect to the indebtedness to consolidated revenue of about $600,000,000, and accrued interest of $500,000,000 odd, is that interest of $500,000,000 being carried to the trust account? Does it still remain a liability of the railway? What becomes of it? Was any portion of it ever guaranteed by the government?

Mr. HOWE: The interest referred to, $495,000,000, is the interest due to the dominion government itself for funds it advanced to the railway.

Mr. BENNETT: Out of consolidated revenue fund.

Mr. HOWE: Yes. This interest is being written out of the balance sheet of the railway. It is a duplication of the consolidated fund, because no asset in the consolidated fund is set up to correspond with it. This $495,000,000 of interest will disappear from the balance sheet of the railways but will be carried in the securities trust for the purpose of preserving whatever priority the government has in connection with these claims against the railway for interest.

Mr. POULIOT: Mr. Chairman, I hold in my hand Hansard of April 27, 1936, in which there is a speech by the right hon. leader of the opposition (Mr. Bennett) at page 2200, where he says this:

> The minister has referred to the president of the Canadian National system. I have a high regard for him.

I am not speaking; it is the right hon. member for Calgary West (Mr. Bennett) who is speaking through me. He went on:

> He was in Calgary, working with the Canadian Pacific Railway, when he was taken by Mackenzie and Mann as master mechanic, and he has risen to a position of importance, but it is my duty to say this, that, temperamentally he cannot resist pressure. He cannot, in that sense, say no. The pressure of politicians, members of this house, members of the government, is such that he cannot resist it; that is the pressure, not of the opposition, but of the powers that be. I say that with the best intentions in the world, and I say so because I know whereof I speak.

Afterwards our venerable colleague who sits for one of the constituencies of Montreal, St. Antoine-Westmount (Mr. White), protested very strongly against the language used by his leader in connection with the president of the Canadian National Railways.

The questions I ask the leader of the Conservative party, the right hon. member for Calgary West, are these: When did he notice first that Mr. Hungerford was weak and could not resist pressure? Was it before he himself appointed Mr. Hungerford president of the Canadian National Railways, or was it afterwards? If it was before, was it on account of the fact that he found Hungerford was weak that he appointed him, to please the Canadian Pacific Railway? If it was afterwards, why did he not cancel through his own government Hungerford's appointment as president of the Canadian National Railways? I have written a series of articles in a weekly which is published at Rivière du Loup, and which the right hon. gentleman probably reads because he quoted from it during the last session. The questions I have put to him are most serious. Here is the most important job in the business of our country, a job equal to that of president of the Canadian Pacific Railway Company, one that needs a strong man. The so-called strong man who was at the head of the government of that time chose a weak man, and, having chosen him, he says, "I know whereof I speak." I will ask the right hon. gentleman to be kind enough to answer the three questions I have just put to him.

Mr. BENNETT: The resolution which is now before this committee is one of very great importance. It affects in many respects the welfare of this country. That a proper balance sheet should be made available to the Canadian people, who are the owners of the Canadian National system, goes without saying, and that that balance sheet should disclose the exact investment in money of the people of Canada in that road also goes without saying. It has never been contended by anyone I have known that the balance sheet should do other than indicate the exact amount of the investment of the Canadian people in their enterprise; they are the shareholders.

Recently I had occasion to look into the position of the state owned railways in South Africa. They extend to about fourteen thousand miles; they were consolidated with very great difficulty after the union in 1910, and the state, that is the union, has invested in the enterprise something like £140,000,000, which is represented as part of the national debt of the union. One of these days I shall bring into the house the last annual report of these roads, because it is one of the most interesting documents it has been my privilege to read.

Mr. DUNNING: The debt is about $700,000,000, translated into our money?

Mr. BENNETT: If you put it that way, yes, about $700,000,000. The road is a narrow gauge one, three feet six inches wide. Last year they operated the road on a ratio of 58 per cent of its takings, without depreciation, and after allowing for depreciation it cost only 65 per cent of its earnings to operate the property. The important part of this interesting document is the detail with which the investment of the people of South Africa in the property is indicated.

So far as I am concerned I was pleased to hear the minister say to-day that he thought it undesirable that there should be any change in the capital structure as long as that litigation was pending in respect of the shares. When we came into office in 1930 we found this threat of litigation, and it continued until after Mr. Lovibond finally got the case to the privy council. Particulars of his statement of claim were placed upon Hansard in answer to a vigorous complaint made by the present Minister of Trade and Commerce, Mr. Euler, that we had failed to deal with the reduction and readjustment of the capital stock as suggested by the auditor and by the then chairman of the trustees. I pointed out the reasons why we had not done so, and I think they were wholly adequate ones, because if the judgment which Mr. Lovibond had hoped to get had been obtained the question as to the shares in the Grand Trunk being properly vested in the Minister of Finance would have been at issue. As the matter now stands, the statement made by the Minister of Transport (Mr. Howe) represents my appreciation of the situation, namely, that Mr. Lovibond may maintain an action for damages, with what success the future may disclose, but that would be an action which would be founded purely in damages and would be disposed of by a monetary payment.

Mr. DUNNING: It will not affect title at all.

Mr. BENNETT: No; as the Minister of Finance (Mr. Dunning) says, it will not affect title. That is an entirely different question from the one that obtained when the judgment of the privy council was given. I may say frankly to the committee that it was a matter of some relief to me to see that judgment, because there have been grave differences of opinion as to whether this parliament could adequately vest in the Canadian Minister of Finance shares of a company whose head office was at Dashwood House, in London. But I always felt that the answer was to be found, not as a pure matter of law, in just a legal proposition, but rather in the conduct of the parties, and that it was not

competent for the railway company, in view of what had taken place, to make any such contention as that. The ground of the decision, however, was technical; it does not touch that phase of the matter at all; and we may now eliminate from our consideration any question which arises with respect to the shares themselves and realize that any action which may possibly be maintained will be an action founded in damages and not against the shares themselves.

There are three matters that must engage the attention of anyone concerned with a readjustment of the capital structure of the Canadian National Railways. The first is the properties which belong to the crown, and which we speak of as government railways. They comprise the Intercolonial railway so-called and all the other properties which have been acquired which were branch line feeders of that property; they also comprise the line from Winnipeg to near Moncton, namely, the National Transcontinental and various other connections with that line. The Prince Edward Island line I classify as part of the Intercolonial. We have here a definite investment which is reflected in part in the national debt of the country and in part by payments made out of surplus revenues during days of buoyant and large revenues in this dominion.

The method by which that expenditure can be dealt with in a set-up or balance sheet is not one which for the moment I am going to discuss. The minister says that he proposes to send the bill to the committee, and the committee doubtless will have the opinion of the auditors who made the suggestion as to the set-up, and will arrive at a conclusion as to the best way to deal with it. There are many methods of dealing with it, but the cold fact is that in any report made to the people of Canada it is in my judgment essential that they should know that since confederation the people have invested so many millions of dollars in the Intercolonial, the Prince Edward Island railway, the National Transcontinental railway, and the branch lines and various undertakings subsidiary to and connected with that large government railway enterprise.

The minister referred to this investment being dealt with as owner's equity. I do not think that term conveys anything to the people of Canada in dealing with this matter. It need not be an item in the balance sheet itself in the narrow sense of the term, but in the wide sense a report of the Canadian National Railways should never be issued which does not make apparent to any person who reads it the amount of the investment by the Canadian people in what we call government railways.

Mr. HOWE: That is, preserved in the balance sheet.

Mr. BENNETT: Yes, that is all it is necessary they should know. I am not very particular as to how it should appear, but I am concerned that the Canadian elector who reads that balance sheet shall be able to know, for his own interest and his own welfare, just how much money has been invested in the railways and their appurtenances since confederation. That is number one.

Number two is the investment made by the Canadian people in the Canadian National railway system. It will be recalled that the Canadian National system was reorganized by the Borden administration with a capital of $100,000,000. That this was done against my protest, and that I voted against it—

Mr. HOWE: Excuse me; I think the amount is $165,000,000. They exchanged the Grand Trunk—

Mr. BENNETT: No; I am speaking of the Canadian Northern. The second branch is the Canadian Northern system. It will be remembered that the Borden government reorganized that system by creating out of the various constituent and subsidiary companies a new organization known as the Canadian Northern system, capitalized at $100,000,000. That I personally thought that capitalization greatly excessive or that I voted against my own friends on that occasion is not a matter of interest now. But I did protest as strongly as I could against the property not being allowed to go into the hands of a receiver. We set up a new system, known as the Canadian Northern system, with a capital of $100,000,000. That system transferred to the Canadian people a certain percentage of its capital stock, I think some 40 per cent, or $40,000,000. As compensation for that the Canadian people advanced to the system $45,000,000, partly paid, as the hon. member for Rosthern (Mr. Tucker) mentioned the other day, by the issue of promissory notes of the Dominion of Canada in the shape of $1,000 bills.

Then the war came. But the result of the first transaction on the part of the Borden government was to create a new transportation system known as the Canadian Northern system, which comprised railways in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Nova Scotia and one small line in Quebec.

It is worthy of note at this point that practically every province except Prince Edward Island, and I think Quebec, was concerned with the Canadian Northern system as a guarantor of its securities. That is a matter of tremendous importance in dealing with the set-up of the balance sheet. The province of British Columbia guaranteed the securities of the Canadian Northern (British Columbia), and from the proceeds of the securities thus guaranteed Mackenzie and Mann built that line from the great divide between Alberta and British Columbia down into the city of Vancouver. They also built certain lines in the Okanagan district, and undertook certain contractual obligations with respect to hotels and other matters. Bear in mind, however, that that undischarged guarantee of the province of British Columbia was the basis of the construction of the British Columbia section of the Canadian Northern railway system, and that from day to day and from year to year since the consolidation, British Columbia has not been called upon to pay that guarantee but the Canadian taxpayer has himself absorbed it and is from day to day making the payments which otherwise would have had to be made by the province. If that is kept in mind, the extent to which the Canadian taxpayer has prevented the bankruptcy of that province will be realized, because it would have been financially impossible for British Columbia during the years of the great depression to pay the guaranteed interest upon those securities.

In Alberta a number of guarantees of the same kind were outstanding. On the strength of the legislation and the guarantees the bonds and securities were sold by Mackenzie and Mann and the money deposited in a trust account, and there is yet a part of a right of way from Calgary to Macleod as a memorial to the optimism of the people and the capacity of great contractors to induce the people to take action which was wholly unnecessary. The road has never been built, but part of the money was expended and the remainder was in a trust account when last I investigated.

In Saskatchewan guarantees were given more largely to the Grand Trunk Pacific branch lines company than to the Canadian Northern system. There again, as in the case of British Columbia and Alberta, the people of Canada are discharging the obligations arising under those guarantees, which, if added to the already impossible burden that these provinces are carrying, would have made it quite beyond the realm of possibility for them to stagger on. That obligation of those three provinces has been discharged by the Canadian people since the consolidation of the system into the Canadian National.

Then we come to Manitoba. In Manitoba a very difficult situation exists. There are the old Canadian Northern lines of Mackenzie and Mann; the old Northern Pacific lines, to which, as hon. members know, the province succeeded, and the province making its arrangement with the Canadian Northern. There are, in addition, guarantees given with respect to terminals, branch lines and main lines, and there is certain legislation enacted by this parliament to deal with that situation. The consequence is that the province of Manitoba is committed to guarantees on a scale which it is quite impossible for it to meet—I think that is a fair way to put it—which guarantees the Canadian people are now paying instead of the people of Manitoba.

In Ontario just before the election of 1911 guarantees were given by this parliament on the Canadian Northern Ontario railway, the section in that province. And certain land grants were made available for the system under conditions to which I need not now refer. There was, I believe, one small line, a very small one, guaranteed in the province of Quebec. In New Brunswick the National Transcontinental ran to Moncton and thence went off on the Intercolonial to Halifax or Saint John. I think the guarantees, as far as the people of New Brunswick are concerned, were given to lines which since have been merged in the Canadian National system, rather than to the Canadian Northern or the Grand Trunk. New Brunswick was saved from bankruptcy by reason of our assumption of the obligations created by the guarantee given by the government of the day on the Halifax and South Western road, which was constructed by Mackenzie and Mann from Halifax around the coast. In Prince Edward Island there was nothing to get, so that no railways were guaranteed there.

That is the picture in regard to number two. How are you going to set it up in your balance sheet? In 1917, it will be recalled, the government of the day was pressed to acquire the balance of the Canadian Northern shares, and the question as to whether this should be done by arbitration or through the exchequer court was considered by the parliament of that day, sitting in the Victoria museum. Finally it was decided to have it done by arbitration. Three arbitrators, the chief justice of Nova Scotia, the chief justice of Ontario and the late Wallace Nesbitt, constituted the arbitration tribunal, and they decided that the remaining

60 per cent of the shares was worth $10,800,000. But I believe it was clearly demonstrated by the evidence which was given that the shares were worth nothing, and but for what took place in this chamber I do not think the arbitrators ever could have awarded anything, because instead of the shares having value, they certainly were a liability. But they were given a value of $10,800,000, which was $800,000 more than the maximum which the statute provided should be paid for the shares. Allowing that 60 per cent is worth $10,800,000, it follows that 100 per cent is worth $18,000,000, and in my judgment the minister is dealing generously with the situation when, on the balance sheet, he carries those shares at $18,000,000. That is what he proposes to do. In my judgment they are worth considerably less than that, but the matter is one which need not be discussed now. It is ancient history; I expressed my views on that subject some twenty years ago.

Mr. DUNNING: The shares never were worth it.

Mr. BENNETT: Of course not. I come now to the third factor in the balance sheet which is dealt with by this resolution, namely the Grand Trunk, the Grand Trunk Pacific and allied organizations. This is neither the time nor the place to deal with the situation as it arose in connection with the Grand Trunk. Personally I would have let it go into the hands of a receiver, but again my views were only those of one man, and very unimportant at that time.

Mr. DUNNING: There was one other.

Mr. BENNETT: We determined to deal with these railways in another way; certain securities were settled with on the basis of an annuity, to put it shortly, and the value of the other securities was to be determined by arbitration. That arbitration by a majority decision decided that the shares had no value. Against that judgment, of course, the old Grand Trunk people have ever since protested, and at times they have made it rather difficult for us in London and elsewhere because of the contentions they have made. During the few weeks or months we were in office in 1925-26, I came to the conclusion that the sound thing to do was to bring to the knowledge of the British people the real facts in connection with the Grand Trunk; for if one wants to read of high finance developed to its nth degree in connection with the payment of dividends and the disbursement of money, one has only to read the evidence given at the arbitration in connection with those matters.

The subsidiary companies, the Grand Trunk Pacific, Grand Trunk Pacific Townsites, and so forth, perhaps need not be referred to here beyond saying that what we paid for the Grand Trunk system and its subsidiary companies is represented by an annuity, and nothing else. And when I say an annuity I mean the interest upon the senior securities which we took over practically at par and which we need not now discuss because they were not the subject matter of either arbitration or expropriation. Their value was fixed by agreement.

Mr. DUNNING: The Grand Trunk Pacific did go through receivership.

Mr. BENNETT: I was coming to that. The Grand Trunk Pacific, while it was a subsidiary enterprise of the Grand Trunk system, was a separate entity. I am sure all good Liberals who read the history of it must do so with a sense of pride. I cannot resist saying that, though I am endeavouring to be most moderate in my criticism. At any rate the Grand Trunk Pacific did go through a statutory receivership. The Minister of Railways became the receiver, and ultimately the late Sir Henry Thornton made an adjustment with respect to the securities, which are now part of the obligations of the Canadian National system with which we have to deal from time to time. I might have said the same with respect to certain income securities issued by the Canadian Northern.

That is the third factor we have to deal with in the balance sheet. I think the minister is wholly justified in writing out absolutely the Grand Trunk common shares and the other shares, because we paid nothing for them, and if my logic is sound there should not appear in the balance sheet a successive valuation upon anything in that balance sheet. Therefore, as far as the Grand Trunk and its subsidiaries are concerned, we can write out the value of those common shares.

Those are the three factors. To-day they constitute what we speak of as the Canadian National railway system, but there are no Canadian National railway shares in the sense in which we usually speak of a corporate enterprise. To all intents and purposes the Canadian National is a holding enterprise. In reality the Minister of Finance holds the shares; I am considering the Minister of Finance as being the same thing as the Canadian National.

Mr. HOWE: The Minister of Finance is the holding company.

Mr. BENNETT: Quite so, but the operations are carried on by the Canadian National. Perhaps as a matter of exactitude I should

say that the shares are vested in the Minister of Finance, unless the procedure has been changed. I take it that they are still so held.

Mr. DUNNING: They are still held by the Minister of Finance.

Mr. HOWE: The Canadian National is the Grand Trunk; the shares were just transferred.

Mr. BENNETT: That is why the passes issued by the Canadian National still bear upon their face the name of the Grand Trunk. In addition I should have pointed out, under the third factor, that a portion of our lines is foreign owned. We have the lines running from Portland into Canada and the lines running from Canada to Chicago, as well as the branch lines or subsidiary properties which belong to that United States concern, the Grand Trunk Western.

How are we going to deal with these properties from the standpoint of conveying to the Canadian people a true picture of what is their investment in the enterprises? It being realized that we took them over, the next question is: What did we to when we took them over? All one has to do is to look at the answers the minister gave to a question asked by the hon. member for Kootenay West (Mr. Esling) as it appears at page 211 of Hansard. There we find a clear statement of what the Canadian people have put into these properties. The minister is quite right when he says that we should not show as part of the debt of the Canadian Northern railway the same sums of money we show as part of the national debt, without making it clear they are the same sums. That is, if the Dominion of Canada sold bonds to the value of $100,000,000, as it did, and the money is put into the Canadian Northern railway, the Canadian Northern railway owes the Canadian people for the money thus invested, and if the property was doing as well as was expected the Canadian people would be securing from the Canadian Northern railway enough money to enable them to pay the interest on the $100,000,000, and possibly establish a sinking fund to take care of the amount at maturity.

The national debt of Canada shows the expenditures made directly by the people of Canada in connection with factors one, two and three that I have mentioned. The hon. member's first question is:

1. What is the total indebtedness of the Canadian National railways to the public?

And the answer:

$1,184,612,248.59 at December 31, 1936.

There never should be any possible question of that information not being known to the Canadian people, when they read the balance sheet of their road. That is all I have to say on that point. No system of bookkeeping entries should be devised which would in any sense deceive the Canadian people into thinking that they had put into the railways less than $1,184,612,248.59. We are agreed, I trust, as to that.

Mr. HOWE: Yes.

Mr. BENNETT: That was not always the view expressed, mark you. I am happy to hear the minister take that view, because some of the officers of the road on one occasion went so far as to suggest to me that it would be desirable to write the enterprise down to what it was worth. How is one going to determine what it is worth? What we want to know is what we put into it, and the amount on which we have to pay interest.

The second question asked by the hon. member is this:

2. What is the total annual interest on this indebtedness?

And the answer is: $49,184,622.87 in 1936. That is the sum of money which, if our railway system were successful, it would be earning, in addition to any other sums, to enable it to square—and I use a word which is sometimes used—or to clear itself with regard to its accounts.

Mr. HOWE: Had it been successful it would not owe any such sum, because a large part of that is deficit, and interest on deficits.

Mr. BENNETT: Yes, but that is a separate matter, and I shall come to it later on. Remember, Mr. Chairman, that I have endeavoured to put before the minister this—and so far he has agreed with me—that we have an indebtedness of $1,184,612,248.59 of the Canadian taxpayers' money tied up in our railways. For the year 1936 to the end of December it cost the Canadian people $49,184,622.87 to service that debt. It cost that much to pay interest on the sum invested. My submission is that it must always be clear to the Canadian people what sum they have had to pay by taxation and otherwise from year to year to discharge the interest on the obligations incurred for the railways. I am talking about the public only—

Mr. DUNNING: It is very difficult.

Mr. HOWE: I do not like to interrupt my right hon. friend at this point, but—

Mr. BENNETT: It is quite all right.

Mr. HOWE: —we may as well discuss these points as they arise. May I point out to the right hon. gentleman that in its legislation of 1932 the late government really stopped

the historical record, that is, as to the funding of deficits. I do not see how the historical record suggested by my right hon. friend can be maintained, even if no change is made. We might give the deficits of past years, but we stopped giving them in 1932, so that the whole picture is really not a correct statement. That is, the balance sheet of the railway does not show the total funds advanced by the government to the railway for capital and deficit purposes, with interest compounded annually.

Mr. BENNETT: I am afraid the minister has not been following the matter prior to coming to the house. In 1932, when the Duff commission was appointed, it dealt with the matter and made a recommendation stating that it was undesirable to issue the company's securities for deficits guaranteed by the government, but that the government should borrow the money itself and pay the deficits.

Mr. HOWE: Yes.

Mr. BENNETT: Therefore, so far as the securities items on the railway company's accounts are concerned, the balance sheet does not show. But they should show that to pay those deficits they got the money from the Canadian people.

Mr. HOWE: But the balance sheet does not.

Mr. BENNETT: That is what I contend they should have done. I have asked them to do it, but it was not done. I had no control over it, because the trustees were in complete control. I do not think their views were in any greater harmony with mine than with those of the Minister of Transport.

I say without question the sums of money the Canadian people had to borrow to pay for the deficits on that road from year to year should be apparent in the accounts of the system, so that the Canadian people, the shareholders, may know what they had to borrow to keep their property afloat. That is the position I have always held, and I submit that anything less could not be regarded as satisfactory. If we do otherwise we are not being fair with the Canadian people.

My position with the officers of that system is a simple one. I simply say to them, "I want a balance sheet that shows to me as a citizen and a shareholder how much money the Canadian taxpayer had to put up last year to keep this property afloat. That is all I want." Anything less than that I cannot but think is a form of deception—not practised deliberately, possibly—upon the Canadian people. In other words if they assume, from looking at the accounts, that because there is nothing showing, and because it is not indicated that they had to borrow so much money to pay their obligations during the year, all is well, they are living in a false paradise.

Now, let us come to the next point. What is the total indebtedness of the Canadian National railways to the consolidated revenue fund of Canada? That is, how much money from time to time did we pay out of our revenue fund to these properties? The minister made this answer:

3. Of the total cash expenditures by the dominion, amounting to $1,468,611,114 (not including interest on loans) as shown on page 7 of the Department of Railways and Canals report for the fiscal year ending March 31, 1936, the following are the amounts that may be considered as charged against the Canadian National Railways:

Loans to C.N.R. (includes loans to former privately-owned roads) on which interest is accrued but not paid	$645,527,455 83*
Investment in Canadian government railways	388,880,002 78
Stores and open accounts of Canadian government railways	15,748,921 60
The following amounts are in suspense:	
Temporary loans (interest paid currently)	36,390,204 25
Expenditures under supplementary public works construction act, 1935 (unemployment relief)	5,068,081 85
Balance covering all deficits, subsidies, and all other items which have been absorbed in the net debt of the dominion	376,996,447 69
Total	$1,468,611,114 00

The other day the minister was good enough to give us the aggregate of the deficit and of the subsidies which had been paid which, in part, include part of the national debt of the country and, in the other part, those portions which were paid out of the consolidated revenue fund.

I am not going to discuss the matter in further detail, much as I might be disposed to do so, because when the minister said he proposed to send the bill to a committee it appeared to me that it is for men more expert than I am in matters of this kind to explain and to suggest what would be a proper system of accounting. I think the committee will agree with me when I say that whatever set-up may be finally agreed upon, it

should be a statement which will show to anyone who studies it just what have been the expenditures by the Canadian people in our railways. That is number one.

The next point is that, although it may not be part of what one might call the consolidated balance sheet, it could easily be shown as part of the annual statement so that there would be no difficulty in understanding on the part of any one. I think the minister is anxious, and I know every hon. member is anxious, that with respect to our railroads we should know just what we have done. I do not believe any hon. member is satisfied by being told that we had a deficit of $40,000,000 or $50,000,000 last year; what he is anxious to know is how much it has cost Canada to run these railways.

If I were disposed to give a chronological history of the railroads of this country I am sure it would be very difficult for any one within sound of my voice who belongs to the Liberal party to explain how two transcontinental lines came into being. I have never met such a man in later years although I used to meet him occasionally in earlier years. I can remember during the progress of a debate in the old chamber when one member suggested that I favoured three systems. The late Mr. Oliver had made some observations about having built up two systems and my cynical interruption was, "Three systems." It was then stated later on that I favoured three systems.

Mr. DUNNING: Oh, oh.

Mr. BENNETT: I do not wonder that the hon. gentleman laughs. In my own community I was condemned as a pessimist.

Mr. DUNNING: That was said about me too.

Mr. BENNETT: Whoever said that was not very familiar with my public appearances. I advocated to the extent of my ability that there should be a second system. I happened to be in Edmonton when the Canadian Northern was opened for traffic to that city on September 1, 1905. I wonder if many members in this chamber realize what limitations were placed upon the guarantee which Mr. Blair gave Mackenzie and Mann. Do they realize that Mr. Blair provided that there should be no amalgamation with the Canadian Pacific? When I lived long enough to see this effort made to put three transcontinental systems across the Dominion of Canada, I but ventured to prophesy what came to happen. I do not think I was very much of a prophet because I was successful in my anticipations. I could not see how anyone could have done otherwise.

But I am not concerned about the past. Recriminations serve no useful purpose with respect to these matters. There is one thing I do feel very strongly, that is that the balance sheet as finally made up should be such as will enable every Canadian to know without difficulty just how much money successive governments have compelled the taxpayers of this country to pay. That is not unfair, is it? That is not asking too much, is it? Anything I have to say will be predicated entirely upon that assumption. I did not think we could reach this matter to-day and I did not bring with me the report of the government railways in South Africa. This is a volume of many pages and it deals with every phase of their railway life. I think it will make us feel that there is still room for more improvement.

Cannot we get this matter out of politics? During the last election I was charged everywhere in the country with being an enemy of the Canadian National system. I dare say that not more than five per cent of Canadian National employees who were electors voted for the candidates of my party, that is outside those employees who voted for purely personal reasons for candidates in a particular locality. I dare say that dollar for dollar I am as much interested in the success of the Canadian National Railways as most people. Every failure of the Canadian National to meet its obligations means more taxes for the Canadian people. Let there be no misunderstanding about that. If it does not meet its annual expenditures the minister has to borrow money with which to pay them, or he must get it out of surplus, which means taxation of the Canadian people. No citizen of this country, however poor he may be, has not a direct interest in the success of this system. It touches his economic life as no other single thing in the state does. There are combinations of many things which may concern him more, but there is not a single thing which concerns him so closely.

Do hon. members realize what the raising of the interest on the public debt and providing for these deficits mean? As I mentioned last session, it means the providing of so many dollars per minute or even per second. Every citizen is concerned. We are often anxious to make matters appear better than they are, and I ask the minister to keep in mind what the Prime Minister (Mr. Mackenzie King) said the other day about conferences. His statement should be applied to these balance sheets. Let these balance sheets reflect the facts; let them indicate the full extent of our liability and our financial responsibility, so that every Canadian

will be interested in giving his support and assistance toward the successful operation of his property. It is his property, not somebody else's. It belongs to us, not to somebody else. In my judgment the only way in which a sense of responsibility can be developed is to show the people the financial side of this question, what it means in taxation, what it means in interest on the national debt and in the payment of deficits. All this has to be borrowed from the public and they must be made to realize that the success of the railway means a lessening of the burden of taxation. To the extent that taxation is lessened, the personal prosperity of the people is increased.

When I rose I had not intended to speak at such length on this matter, as the minister said that he was going to send the bill to the committee on railways and shipping. It seems to me that that method will provide an opportunity for everyone concerned to express his opinion and for those who are expert in the adjustment of figures on balance sheets to make such suggestions as in their wisdom are necessary. I hope the minister will keep this one thought in mind, that the balance sheets should reflect the true financial condition of the enterprise so that every citizen of Canada may know without difficulty the exact extent to which he and those who went before him have either placed out real money or borrowed money for the purpose of making the enterprise part of the assets of this country.

Mr. POULIOT: Mr. Chairman, I have been sitting here quite impatiently for the last fifty minutes and I cannot say that I have listened very carefully to what the right hon. gentleman (Mr. Bennett) has said. What he took fifty minutes to say he could have said in ten had he cut out all repetition. You are presiding, sir, over a committee made up of seventy-nine members of this house. May I ask each one of the other seventy-eight members of the committee if the hon. member for Calgary West has answered my questions. They were fair, very easy to understand, and spoken in very plain language. I want an answer, Mr. Chairman. The right hon. member for Calgary West stated, according to page 2200 of Hansard of April 27, 1936, that he had realized that Mr. Hungerford was weak. Now he is the gentleman who appointed Mr. Hungerford as president of the Canadian National Railways, a most important job. I ask him now, When did he realize that Mr. Hungerford was weak, according to his own statement? I ask him if it was before Mr. Hungerford's appointment by the right hon. gentleman himself or if it was after, and if it was after, why did he not discharge Mr. Hungerford on account of that weakness? This is no joke, sir. The right hon. member for Calgary West said, "I know whereof I speak." It was probably not the first time he said it, but he said it on that occasion. I should like to have an answer to those three questions, if you please.

Oh, no answer? I shall sit down then because I should like to have an answer; it is very important. No answer? There will be a long speech, a long lecture on everything, and I am surprised the right hon. member for Calgary West has not given us the name of the first locomotive between Montreal and Laprairie. He was telling the story of the railways, and he could have told us that, as well as the length of the locomotive, the number of wheels, and all that. That is the kind of story we listen to in the house when we have important business to carry on. Now I ask him a question concerning a position of the greatest importance, equal to that of the president of the Canadian Pacific Railway. I am not a rich man, but I am a good Canadian citizen, just as good as anybody else, and I should like to know why the right hon. gentleman appointed Mr. Hungerford as president of the Canadian National Railways if he thought he was a weak man, and I shall ask him, further, if it was not because he thought he was a weak man that he appointed him to that position.

Resolution reported, read the second time and concurred in. Mr. Howe thereupon moved for leave to introduce Bill No. 12, to provide for revision of the accounting set-up of the Canadian National railway system.

Motion agreed to and bill read the first time.

SUPPLY

The house in committee of supply, Mr. Sanderson in the chair.

DEPARTMENT OF AGRICULTURE

Dairying, $290,000.

Mr. THOMPSON: May I ask the minister the reason for the increase of $18,000 in this item, and what is the purpose of the vote?

Hon. J. G. GARDINER (Minister of Agriculture): The item of $290,000 which the committee is being asked to vote this year is made up of proposed expenditure on administration, $13,500, which is $1,900 more than was spent last year, but the largest item in the vote is for the dairy produce division, $226,000, an increase of $7,500 over

last year. The estimate for the dairy markets division is $41,000, an increase of $6,300 over last year; the estimate for the dairy research division, $5,000, an increase of $800 over last year; the estimate for milk utilization service, $4,500, an increase of $1,500 over last year.

The increase of $1,900 for the administrative division comprises $1,400 for printing and stationery and $500 for travelling expenses. In the dairy produce division, there is an increase of $9,775, for travelling expenses, but against that there is a decrease in other branches of the service, so that the net increase is $7,500. In the dairy markets division there is a total increase of $6,300. There is an increase of $156.60 for communication services. In order to take care of the purchase of a thermograph and repairs to same, the amount for equipment has been increased by $500. Under miscellaneous current expenses there is an increase of $12.50, and other increases as follows: salaries, $2,166; general supplies, $225; refrigeration car service, $1,500; travelling expenses, $1,740—and that increase is largely to take care of the travelling expenses of the new supervisor of condensers—dairy research division, increase of $800—and this is made up of an increase of $181 for supplies for dairy research laboratory—an increase of $25 in transportation charges for materials, and it has been found necessary to increase the amount for travelling expenses by $594. In the milk utilization service the increase is $1,500. This includes an increase of $25 for communication services. There is also an increase of $25 in the amount for wages for assistants at exhibitions. The amount provided for travelling expenses for 1936-37 was found to be less than required, and it has been necessary to increase this amount by $1,450. This makes a total increase of $18,000.

Mr. THOMPSON: What does the minister propose to do in connection with dairy marketing? In what way is he going to expend the increased grant which has been made for that purpose?

Mr. GARDINER: I just gave the explanation, in reading from the items that are contained in this appropriation: dairy markets division, an increase of $6,300. It has been found necessary to increase the amount for communication services by $156.60. That is a very small item of increase in the matter of communication expenses. In order to take care of the purchase of thermographs and repairs to the same, the amount for equipment has been increased by $500. That increase does not necessarily mean that there is any particularly increased service; it is a matter of buying thermographs and paying for repairs to them. Under miscellaneous current expenses an increase of $12.50 is shown. In salaries an increase of $2,160 is made necessary on account of the appointment of a supervisor of condenseries. It is not an additional service. It shows an addition in this particular branch, but it has been taken out of another branch, and the individual who was doing this work before in one of the other branches is now appointed in this one, with this particular title. The other amounts are small.

Mr. THOMPSON: I asked the question because, although we hear a great deal about improved conditions, we have not improved conditions in the dairy business. As regards our butter and our cheese we are very slightly better off than we were a year ago, and the dairy farmer is not receiving any participation in what is called the return of prosperity. It is true that we in Canada have been manufacturing the best cheese in the world. It commands in the British market a higher price than any other make except the English cheddar, and it has lately been displacing that, because they are not making it in such large quantities as formerly. The cheese we are producing and exporting is selling in the British market to-day at a premium of two cents per pound over the best New Zealand cheese. That speaks for itself. We cannot say so much for our butter. We cannot compete with New Zealand as regards butter, and if we were to export our butter to-day we should have to take at least five or six cents per pound less than we are getting on the local market. To-day our local markets are no better than they were a year ago. By that I mean that the dairymen are not participating to any very great extent in the return to prosperity.

In respect of the increase in salaries, I should like to know whether it represents increases in the salaries of the present staff or an addition to the personnel of the staff.

Mr. GARDINER: So far as the references to the condition of the dairy farmer are concerned, I think the figures indicate that those statements are scarcely in accordance with the facts.

As regards the price of cheese, the average increase last year, taking the year through, over the previous year is 2·6 cents per pound. That is a very considerable increase when one remembers that a year ago cheese was selling at around ten to eleven cents per pound. The average increase over the year of 2·6 cents is a very considerable percentage of the price we were obtaining at that time.

Mr. SENN: May I ask the minister where he obtained those figures?

Mr. GARDINER: I obtained them from the records of the department, and I believe an examination of the records generally will indicate that to be true. It is just six o'clock, and probably it would be well to discuss this matter at greater length after we return at eight o'clock.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Progress reported.

THE LATE HON. CHARLES MARCIL

Hon. CHARLES A. DUNNING (Minister of Finance): Mr. Speaker, since the house rose at six o'clock we have had word of the death of Hon. Charles Marcil, one of our members, the oldest in point of service in the house, and a former Speaker. On discussing the matter with such members as I have been able to reach in the meantime it was felt that it would be a fitting tribute to his memory if this house adjourned. I therefore move that the house do now adjourn.

Right Hon. R. B. BENNETT (Leader of the Opposition): I desire to associate myself with what has been said by the Minister of Finance. I think it is entirely fitting and proper that this chamber, out of deference and respect and regard and esteem for its oldest member in point of service, and one who has been the first commoner of Canada, should now adjourn.

Motion agreed to and the house adjourned at 8.05 p.m.

Monday, February 1, 1937

The house met at three o'clock.

THE LATE HON. CHARLES MARCIL

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, the house is already aware of the great loss which its membership sustained on Friday last by the death of the hon. member for Bonaventure, Hon. Charles Marcil. The adjournment of this house on Friday evening was an impressive collective tribute on the part of hon. members to the memory of one who had attended forty consecutive sessions of this parliament, and who in point of service was its oldest member. This morning the citizens of the capital and many from other parts of the country joined with hon. members of both houses in paying a further tribute of respect to the memory of him who had become so familiar a figure in the public life of our country. The press, of all shades of political thought, have united in expressions of appreciation of Mr. Marcil's many years of public service. The tributes thus expressed have been supplemented by others from former political opponents as well as personal and political friends and by the clergy of the church of which he was so devout a member.

In these circumstances, Mr. Speaker, my purpose in rising this afternoon is primarily that of gratefully acknowledging what has already been said by way of tribute to the memory of our late fellow member, and of saying, on behalf of those who knew him best, how worthy he was of the eulogies which have been expressed. Mr. Marcil's public life in Canada is generally known to all who are here assembled. I imagine that what our own and future generations will regard as of surpassing interest in his long career is the link which it affords between a past which is rapidly receding and a future which is certain to be full of change.

The Hon. Charles Marcil came of a family nine generations of which had lived in the province of Quebec and of which ten generations extend over three centuries. He was born in Ste. Scholastique on July 1, 1860. Like the late Hon. Peter Veniot, his deskmate for a period, to whom tribute was paid only a few days ago, he was one of the very few remaining members of this parliament who were born prior to confederation and who, from memory, could recall incidents associated with that great event. He was one of another group, somewhat larger but also much too rapidly disappearing who sat in this house with the Right Hon. Sir Wilfrid Laurier.

With Sir Wilfrid Laurier, Mr. Marcil was privileged to enjoy a close personal as well as political friendship. There was much in the lives of Mr. Marcil and Sir Wilfrid Laurier which made the association between them natural as well as close. Both, as I have said already of Mr. Marcil, came of families that for many generations had lived in the province of Quebec. The early careers of each had its association with journalism, each came to devote his entire time to politics. Both Sir Wilfrid Laurier and Mr. Marcil were endowed by nature with real distinction in appearance which their habit of thought and manner of life, as the years went by, continued greatly to refine. Both were gifted as writers and speakers, and each spoke with equal fluency in the French or the English

language. I doubt if anyone who had not heard Mr. Marcil in his prime can imagine with what freedom and grace he spoke alike in French and in English. He was, I think, at his best depicting a scene from the romantic background of our country's history, or foreshadowing the greatness of Canada's future as he conceived it would become. He was a true Canadian, with great faith in Canada and the place Canada would come to hold among the nations of the world. That faith, throughout his life, he ever sought to impress upon his fellow countrymen. He was an ardent Liberal, strong in his convictions, but always moderate and tolerant in the manner in which he spoke. Like Sir Wilfrid, he exhibited at all times those attributes of courtesy and chivalry so characteristic of the race and generation to which each belonged. It was a part of Mr. Marcil's contribution to the parliament of our day that when he presided over the proceedings of this chamber or participated in its debates he was true not only to the Laurier tradition in his point of view but, expressed himself in the Laurier manner with grace and dignity.

An estimate of Mr. Marcil's contribution to the life and work of this parliament would require perusal of its records and debates over forty sessions. To such a degree did he enjoy the unbroken confidence of his constituents that he was elected by them to ten consecutive parliaments. With the exception of two instances, so far as I have been able to ascertain, this record has not been surpassed. I believe Sir Wilfrid Laurier himself and the late Hon. John Haggart each sat in this House of Commons through eleven parliaments.

Mr. Marcil's return on so many occasions was a well deserved record of confidence and one which reflected equal credit upon his constituents. Last night I took occasion to glance through the pages of Hansard of the previous session in order to see what Mr. Marcil had said on the last occasion on which he spoke in this chamber. It was not surprising to discover that his last word was one of grateful acknowledgment to a minister of the crown for something the minister had been able to do which was of assistance to the constituency represented by Mr. Marcil and to adjoining constituencies. Confidence akin to that so fully given to Mr. Marcil by his constituents was also expressed in a very real way by his fellow members in this house of commons who elected him successively to the position of deputy Speaker and chairman of committees in 1905, and to that of Speaker in 1909, a recognition which was further emphasized by his appointment in 1911 as a member of the privy council of Canada. During the last four parliaments his fellow members of the Liberal party chose him as permanent chairman of the party caucus. In the course of his long life of public service, there was much else in the way of recognition of his abilities and attainments by municipalities, representative organizations, societies, universities and by governments in our own and other countries.

Mr. Marcil was in his 77th year. For a life so full of service, of achievement and of well merited recognition, there surely can be either for him or for us no occasion for regret that he was taken away while still a member of the House of Commons and its oldest member in point of service. We shall miss the benefit of his long experience and wise counsel in parliamentary affairs, but to have had his faculties unimpaired to the end, and to have been spared the infirmities, disappointments and decline which too often are the accompaniment of advancing years is something which of itself is in the nature of a benediction, and something we should not begrudge him who has been taken from us.

It was his to enjoy the fulfilment of the ancient promise—

"Thou shalt come to thy grave in a full age
Like a shock of corn cometh in in his season."

As one whose life's endeavours were thus rewarded, his name will hold an honoured place in the history of this parliament, and his memory will continue to be cherished by all who knew him.

Mr. Speaker, this house will look to your Honour to convey to Mrs. Marcil and other members of the family an expression of its sincere and deep sympathy in their bereavement.

Right Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, we are reminded by what has been said, as well as by our own observation and experience, that the hand of death is ever with us. My first expression is one of deep regret that this house has lost the knowledge and experience of one who was its dean in point of service.

With respect to the character and extent of the service rendered by our late comrade and fellow member, I can add nothing to what has been said by the Prime Minister (Mr. Mackenzie King). To have been a member of the house during ten parliaments is an almost unique experience. Indeed he was a connecting link between the nineteenth and twentieth centuries; for he was elected Speaker of the house before most of us had a seat in the chamber. His life is a history of the years from 1900 to 1936.

I should like, too, to express my sincere sympathy to the right hon. the leader of the government, to his colleagues and the sup-

porters of his administration, in the loss they have sustained both collectively and individually. They have lost a faithful friend, a warm supporter, a devoted follower, and a worthy exponent of the principles of Liberalism as he saw them. Faithful in the discharge of his duties, he was ever mindful of the claims of those who lived in the Gaspé peninsula. Those of us who have listened to him in the house will realize that while his convictions were strong he spoke but seldom, and expressed them in terms both moderate and persuasive.

Obviously it is not for one situated as I am to speak with any degree of authority as to the value and extent of the service he rendered to his party, and through it to the country. But I can say that on the other side of his life, that side we describe as citizenship, his example was of the first order. By precept he created for himself an influence which cannot readily be estimated. Sometimes it is difficult to appraise the value of public service. Opinions clash, criticism is keen, antagonisms are great, and regard for human frailty is not very evident. But when we come to consider the life of one who was a citizen of the community and occupied a public place, I think we are well within the mark when we say that by precept and example Mr. Marcil's life must stand as an influence to younger men not only of this day but of the generations which have come into the world during the time he lived among us. He was courteous; he was kind; he was considerate of others; he was unselfish; he was generous to a fault, and, within limits, he was most tolerant. He had that inward peace which is reflected in the outward man. His countenance indicated that quietness of mind which rises superior to all philosophic doubts or scientific dogma. He was devout, intensely so; he believed in religion as a practical living and moving force. He practised it, and the influence of his example among younger men cannot fail to have had a very marked effect among those with whom he came in contact.

These attributes were known to us all, whether he was our close personal friend, our political associate or otherwise known to us. Those of us who sometimes saw that courtly smile always received it as almost a benediction. I think I can say nothing that would more clearly indicate the impression his life has made upon mankind than the words I have just spoken. If ever there was among those whom I have known in the House of Commons and elsewhere one who seemed to me to give a fair answer to that age-old question, a question that concerns us all—"And what doth the Lord require of thee, but to do justly, and to love mercy, and to walk humbly with thy God?"—it was Charles Marcil, whose passing we so greatly deplore.

Speaking for those associated with me, I trust the leader of the house will convey to the sorrowing relatives he has left behind an expression of our deep and sincere regret at the great loss they have sustained.

Hon. ERNEST LAPOINTE (Minister of Justice): Mr. Speaker, I wish to add my personal tribute to those which the prime minister and the leader of the opposition have just paid to the memory of our late lamented fellow-member. Hon. Mr. Marcil was the only member of this parliament who was in the house in 1904, when I came here for the first time. I knew him previously, for he was one of the public speakers whose eloquence had thrilled my youth. His melodious voice, his phrase which seemed to flow harmoniously like a clear and beautiful stream, his imposing and dignified presence made him a favourite speaker among the people. Sir Wilfrid Laurier once told me that he knew of no Canadian who had so perfectly mastered the two official languages of this country. During thirty-three years, I sat at his side, and it is with deep emotion that I bear testimony to his having always been a devoted friend, a loyal colleague and a wise counsellor. Owing to his extreme kindness he could not have enemies. "Charlie" Marcil never hated anybody. Nothing could ever impair his equanimity and natural rectitude. He gave all his intellect, all his heart, all his life to his country, to his friends, and to the principles he held dear. Intensely religious, as it has just been pointed out, he was a model of piety, charity and devotedness. He was a great Canadian.

To Mrs. Marcil and the other members of his family, to his faithful constituents in Bonaventure, I wish particularly to tender the sympathies of the French Canadian members of this house.

Mr. R. S. WHITE (St. Antoine-Westmount): Mr. Speaker, I desire to add my poor tribute to the dear dead colleague whose passing we to-day mourn. He was my friend and intimate, and I think it is probably true to say that at the time of his death I was his oldest living friend. It was in 1879, fifty-eight years ago, that he began his journalistic career on the staff of the Montreal Gazette, with which paper I had been associated since June, 1874. My recollection is

that Mr. Marcil as a youngster—he was then only nineteen years of age—had a great flair for politics. He began life as an adherent of the Conservative party, and his earlier speeches on the public platform were delivered in the cause of that party. Not many years thereafter, from convictions the sincerity of which no man who knew Charlie Marcil will for a moment doubt, he changed his party allegiance. Throughout the rest of his life it can be said that he was a consistent and stalwart member and supporter of the Liberal cause.

His attainments were great. He was distinguished in many ways. He not only served his country in this House of Commons, but he served the city in which he lived, Montreal, first as a member of the city council and subsequently as one of the commissioners to whom the management of the city was entrusted. Summing up his character in a word, one can say of him that he was a gentleman.

The duration of his public life is almost unexampled. The Prime Minister (Mr. Mackenzie King) referred to two other men in public life, Mr. John Haggart and Sir Wilfrid Laurier, who sat in parliament for perhaps as long a period as did Mr. Marcil. Of course the outstanding example of public service in parliament was that of Macdonald, who sat for forty-seven consecutive sessions, first in the legislature of the old province of Canada and then in this House of Commons. In a way the greatest tribute that has been or can be paid to Mr. Marcil is the fact that during the nearly thirty-seven years in which he was a member of this house he represented the same constituency, which is at once a tribute to his integrity, his character, his kindliness, and his ability. He was a most fluent speaker, as has been said, in both languages. Having had an Irish mother he probably lisped English at his mother's knee, but doubtless he would call himself, because of his ancestors through a long line, a French-Canadian, as he was in heart and spirit. He was a broad-minded man. I would not call him a partisan; I think that would be an unfair term to apply to Charlie Marcil. I would call him a moderate Liberal. He was always ready to give and take, and any opponent who may have crossed swords with him or differed from him in discussion would at least have agreed that he was fair in the maintenance of his views, and would have concluded that discussion with an esteem and respect and even an affection for Mr. Marcil.

I have said that as a young man campaigning in the good old province of Quebec he made a reputation as an orator. I know as a matter of fact, and he was no mean judge, that the late Sir Adolphe Chapleau, regarded Mr. Marcil as one of the rising young men of Canada, an appreciation that has been fully justified.

Let me just say this in conclusion. If it can be said of any man it can be said of Charlie Marcil that—

> He had kept
> The whiteness of his soul, and thus men o'er him wept.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker, it is certainly not necessary that anything more should be said, but we in this group would like to associate ourselves with the tributes of respect that have been paid and to offer our very deep sympathy to those whom our late colleague has left behind him. The distinguished bearing and finely chiselled features of Mr. Marcil marked him out, I think, in almost any company, and, further than that, they seemed to indicate a certain spiritual quality not very common. I had thought, in trying to sum up the impression Mr. Marcil had made upon us, rather of the words just uttered by the hon. member for St. Antoine-Westmount (Mr. White)—he was a gentleman; and I think I might add—and I do in all respect—a gentleman of the old school. We shall all miss him.

Mr. J. H. BLACKMORE (Lethbridge): Mr. Speaker, judging from the manifest sincerity of the words of esteem with which previous speakers have praised the life of the late Mr. Marcil, and of the tone in which they were uttered, I deem it a privilege to join my voice with those who have already honoured him. It has been written: Blessed is he who has found his work; let him seek no greater blessedness. This man evidently had found his work, and ably he did it. During much of my life I have felt that one of the greatest blessings would be that of having the privilege of dying in harness. Mr. Marcil was blessed thus, and it can therefore be said that he has been blessed both in his living and in his dying. Our group rejoices to honour such a man.

FARM IMPLEMENTS COMMITTEE

APPOINTMENT OF SPECIAL COMMITTEE TO INQUIRE INTO HIGH PRICES WITH PARTICULAR REFERENCE TO INCREASES FOR 1936

Hon. J. G. GARDINER (Minister of Agriculture): Mr. Speaker, since the subject matter of this motion has been before the house previously and the names of the members of

the committee have been considered by all groups, I would ask leave of the house to move, without notice:

That a select special committee of the house be appointed to continue and complete an inquiry begun by the standing committee on agriculture and colonization, pursuant to a resolution of the house on March 2, 1936, into the causes underlying the high prices of farm implements, with particular reference to the advance in prices in the year 1936.

That the said select special committee shall have the power to send for persons, papers and records, to examine witnesses under oath, and to report from time to time.

That the said select special committee be authorized to engage the services of counsel, auditors, technical advisers, clerks, stenographers and investigators to aid and assist the said committee in the inquiry, and to print the evidence, proceedings and documents received by the committee.

That standing order 65 be suspended in relation thereto, and that the select special committee shall consist of twenty-five members and the following be appointed members of the said committee: Messrs. Bouchard, Brooks, Cochrane, Coldwell, Davidson, Donnelly, Fraser, Gardiner, Golding, Johnston (Lake Centre), Lacroix (Beauce), Leader, Macdonald (Brantford City), McLean (Melfort), McNevin, Needham, Perley (Qu'Appelle), Reid, Robichaud, Senn, Stevens, Taylor (Norfolk), Thorson, Tolmie, Ward.

And furthermore, that the records, exhibits and evidence received and taken by the standing committee on agriculture and colonization during the last session of parliament be made available to the said select special committee.

Right Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, for reasons that I made quite clear last session I do not agree with the steps that are being taken, but it is sufficient to say that; for it is quite evident that the government desires to proceed in this way, and having sufficient numbers to enable it to do so, that is the end of it. I think an inquiry of another kind would have been very much better than an inquiry before a political committee. I think it would be very much better to have a non-party body—not partisan but non-party—judicial or otherwise, than a committee of this house, to consider a matter that will lend itself to so much acrimonious discussion. I assume it was for that reason that the government selected a judge rather than a committee of this house to investigate textile matters. I believe that that is a much sounder method, but since the government has decided to proceed with a committee, I think the motion itself is hardly ample so far as the last paragraph is concerned. It is a motion to continue an investigation that has already been partly carried out, and it is not sufficient to say that what has already been done should be made available to the committee; it should be provided that what has been taken in the way of records shall become part of the records of the continuing committee. Simply to make it available does not enable the committee to utilize it for the purpose of predicating findings upon it. It should become part of the records of the new committee. I shall content myself with making this observation, but I cannot think that the end sought will be accomplished as effectively as it would be by the utilization of the other method. Had that been done, the inquiry might have been carried on during the recess and the results made available to parliament, which is hardly possible now so far as this session is concerned.

Right Hon. W. L. MACKENZIE KING (Prime Minister): May I say to my right hon. friend that the government is proceeding in this way because of an undertaking given at the conclusion of last session that this committee would be reconstituted. If my right hon. friend had raised the point then—

Mr. BENNETT: I did. I opposed it very strongly.

Mr. MACKENZIE KING: Then, what I was going to say will not apply. However, the reason we are proceeding is, as I have indicated, because a pledge was given to the house that the committee would be reconstituted at this time.

Mr. GARDINER: As to the suggestion made by the leader of the opposition, I did not catch the point, but I understand he suggested that the words be added, "and made part of the records thereof."

Mr. BENNETT: I merely suggested that so that no question should arise.

Mr. GARDINER: Yes. I think that would be an advantage, and I move that those words be added.

Mr. SPEAKER: Is it the pleasure of the house to adopt the motion as amended?

Motion as amended agreed to.

COPYRIGHT AMENDMENT ACT, 1931

Mr. W. K. ESLING (Kootenay West) moved for leave to introduce Bill No. 13 to amend the Copyright Amendment Act, 1931.

Mr. RINFRET: Will the hon. member explain?

Mr. ESLING: By this bill it is sought to amend two sections of the Copyright Act which refer only to musical works. Hon. members will recall that the Canadian Performing Right Society exercises authority under the statute to issue licences and to collect fees in compensation for the use of

music which the society claims to control. As a matter of fact it assumes control of between two and three million titles. It assumes control of almost everything that is on the air, and when, an applicant for a licence suggests to the society that it should give him a list of the titles to which it claims control, it simply replies with a statement that the society does not have to furnish such a list and that the applicant can get the information by going to the copyright office in Ottawa. This is not a very satisfactory response to an applicant in, we will say, Saskatoon or Prince Rupert or some far distant community, and the purpose of one of the amendments is to require the Canadian Performing Right Society to furnish to each applicant a list, certified to by the Secretary of State, showing that the society is in actual possesion or control of the titles to music in respect of which it attempts to collect a fee.

As to the other amendment, under the tariff just revised by the copyright appeal board the various broadcasting stations throughout the dominion will pay to the Canadian Performing Right Society the sum of $70,000, which covers fees for receiving sets known as domestic receiving sets. I assume that to mean that they are receiving sets in private homes. But there is a special licence and special fee required from stores, skating rinks, lodge halls, hotels, restaurants, cabarets and like places; this speacial fee is fixed at a minimum of five dollars, with accumulations and conditions making gradual increases to a maximum which is uncertain. These establishments contend that, in view of the fact that the broadcasting stations pay such generous licence fees to the performing right society, a second tax by way of a special radio license fee is unjust. The second amendment therefore seeks to exempt stores, skating rinks, hotels, restaurants and such small establishments from a second radio tax.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

FREIGHT RATES ON BACON

Mr. QUELCH:

1. What is the freight rate on bacon, from Edmonton, Alberta, to Liverpool, England?
2. Does the dominion government subsidize these rates? If so, to what extent?
3. Does the dominion government subsidize the Canada Packers company? If so, to what extent?

Mr. HOWE:

1. Representative export rates on bacon (carlots) from Edmonton, Alberta, to Liverpool, England: Route—Rail to seaboard, conference steamship lines beyond. Rates—Via Halifax and Saint John, 185·0 cents per 100 lbs.; via Montreal, Navigation closed. Rates quoted are through rates for regular shipments and do not include charges for refrigerator or other occasional services.
2. No.
3. No.

EXPORTS OF MAPLE SUGAR

Mr. MALLETTE:

What were the exports of maple sugar for each of the years 1927 to 1936, inclusive; (a) total exports; (b) exports to United Kingdom; (c) exports to the United States?

Mr. ROGERS:

Exports of maple sugar for each of the fiscal years ended March 31, 1927 to 1936, were as follows:—

(a) Total exports Fiscal years	Quantity lb.	Value $
1927	4,178,821	676,237
1928	6,551,296	1,141,783
1929	7,701,310	1,320,161
1930	12,501,047	2,395,863
1931	6,411,904	1,327,349
1932	2,970,206	551,764
1933	3,176,471	543,153
1934	2,295,042	370,443
1935	3,176,655	475,398
1936	4,022,139	649,739

(b) Exports to United Kingdom Fiscal years	Quantity lb.	Value $
1927	22,293	4,631
1928	38,229	6,869
1929	28,138	5,798
1930	13,212	3,005
1931	33,331	7,281
1932	29,284	5,948
1933	25,944	4,099
1934	32,928	5,070
1935	30,925	5,351
1936	30,179	4,406

(c) Exports to United States Fiscal years	Quantity lb.	Value $
1927	4,141,462	667,747
1928	6,508,519	1,133,942
1929	7,663,247	1,312,172
1930	12,477,894	2,390,392
1931	6,369,187	1,317,708
1932	2,940,840	545,800
1933	3,144,600	538,108
1934	2,251,563	363,896
1935	3,133,602	468,489
1936	3,965,248	641,074

OLD AGE PENSIONS

Mr. LACOMBE:

1. What share does the federal government contribute to the provincial government of Quebec, under the Old Age Pensions Act?
2. Has the federal government, under this law, granted certain sums to the Quebec provincial government?
3. If so, what is the amount?
4. Does the federal government appoint any investigating officers to examine the claims of those applying for Old Age Pensions in the province of Quebec?

Mr. DUNNING:

1. Under agreements between the dominion government and the provincial governments drawn under authority of the Old Age Pensions Act as amended, the dominion pays 75 per cent of the net amount paid out for pensions by each province which has signed an agreement.

2. No. An agreement with the province of Quebec was signed on August 13, 1936. Later the province of Quebec amended its legislation and these amendments will make necessary a new agreement with the province before any payments may be made by the dominion.

3. Answered by No. 2.

4. Officials of the dominion government will examine all papers and documents relating to the province's expenditure of the moneys granted by parliament for the payment of Old Age Pensions.

HOME IMPROVEMENT LOANS

Mr. CHURCH:

1. Have any loans been made to date in the city of Toronto, arranged by the federal unemployment commission through the banks, under the Housing Act of 1936?
2. If so, how many, and what is the aggregate amount of said loans?

Mr. DUNNING: Up to December 31, 1936, there had been made in the city of Toronto, under the home improvement plan, a total of 274 loans aggregating $103,330.27.

IMPORTS OF WELSH COAL

Mr. CHURCH:

1. How many tons of Welsh coal were imported into Canada during the last three years of record?
2. Has the attention of the government been called to the report of the investigations by "The Welsh recovery committee" relative to the lifting of the ban on Russion anthracite by Canada?
3. Will the government allow the house an opportunity of discussing the removal of the ban on Russian coal?
4. How much Russian coal has been received in Canada during the year ending December 31, 1936?

[Mr. Rogers.]

5. When will the report of the commission headed by Dr. Tory, regarding coal inquiry, be tabled?
6. Have any prosecutions been made of those cited during the last federal inquiry?
7. Have any parts or provinces of Canada been exempted from the Russian import coal agreement?
8. How many tons of Nova Scotia and other coal from the maritime provinces have been moved to the head of the lakes during the past three years?

Mr. RINFRET:

1. There is no record of Welsh coal imported into Canada as distinguished from other coal from the United Kingdom.

2. No: though from time to time statements of the South Wales trade recovery and expansion committee have been noted in the press.

3. Question of policy.

4. There were no imports of coal from Russia during the year ended December 31, 1936.

5. The report has not yet been received, but will be tabled following its receipt.

6. Ten coal companies in the province of Quebec were convicted in trials following the investigation made in 1933 under the Combines Investigation Act.

7. No. In the statement issued by the official Soviet Russian news agency on the lifting of the embargo on the importation into Canada of certain Soviet products, it was stated that "Soyuzgleexport (the All-Union Coal Export and Import Corporation) has no intention to ship coal for consumption in the maritime provinces of Nova Scotia, New Brunswick and Prince Edward Island."

8. No record of shipments of Nova Scotia and other coal from the maritime provinces to the head of the lakes during the past three years.

IMPERIAL SHIPPING COMMITTEE

Mr. REID:

1. Was the Canadian government represented at the Imperial conference held in London in 1936, at which the matter of subsidized ships operating on the Pacific Ocean, was discussed?
2. If so, who represented Canada at that conference?
3. Were any conclusions reached with regard to the maintaining of ships of British or Canadian registry and ownership, operating from British Columbia Pacific ports?
4. Were any proposals made that Canada should join with Great Britain and the sister dominions in maintaining an all-British shipping route on the Pacific ocean?
5. Has any report been submitted to the Canadian government by the representative?
6. If so, when will that report be available to the members of parliament?

7. Have any representations been made by the imperial government with reference to this matter during the past twelve months?

Mr. MACKENZIE KING:

1 and 2. No imperial conference was held in London in 1936. The Imperial Shipping Committee, acting under their general terms of reference as amended by the Imperial conference of 1930, have conducted an investigation of a fact-finding nature into certain matters specially referred to them in June, 1936, by the governments of the United Kingdom, Canada, Australia and New Zealand, concerning the possibilities of a passenger and cargo service between Western Canada and Australia—New Zealand. The High Commissioner for Canada in London is a member of the committee on behalf of the government of Canada and acted accordingly in this special investigation.

3, 4 and 5. The report of the Imperial Shipping Committee, as submitted by the chairman on behalf of the committee to each of the above mentioned governments, was published on December 7, 1936. It sets forth the committee's findings of fact and views as to alternative possibilities regarding the matters specially referred to them.

6. A copy of the report is being laid on the table.

7. During the past year the government have been in communication with the government of the United Kingdom regarding the questions involved, but no conclusions as to policy have been reached.

The answer contains a clause stating that copies of the report will be tabled. With the permission of the house I should like to lay on the table a copy of the thirty-fifth report of the Imperial Shipping Committee.

ST. ANN'S, ONT.—POSTMASTER

Mr. LOCKHART:

1. Was Ernest L. Snyder postmaster of St. Ann's, Ontario, during 1936?

2. If so, was he dismissed, and for what cause?

3. Was any charge laid against him, and, if so, what was the nature of said charge; by whom was it laid, and before whom heard?

4. Has a postmaster been appointed in his stead, and, if so, by whom recommended?

Mr. ELLIOTT (Middlesex):

1. Yes.

2. Yes—for active political partisanship.

3. Yes, affidavits containing charges of active political partisanship were received from Joseph Lenard, Joseph Danko, Wray Taylor, Jesse Rogers, John Burch. Charges were investigated by Commissioner J. J. Bench.

4. Yes—on recommendation of A. E. Coombs of St. Catharines.

YOUTH EMPLOYMENT COMMITTEE

Mr. GREEN:

1. Has there been a youth employment committee appointed under the provisions of the National Employment Commission Act, 1936?

2. If so, who are the members of this committee, and what are their respective addresses and occupations?

3. Upon what dates were the different members of such committee appointed?

4. What sums have been paid to each of the different members of this committee as travelling expenses?

5. What sums have been paid to each of the different members as living allowances?

6. What living allowance is now being paid to each of the different members per day, week or month or otherwise?

7. How many reports upon measures and means in respect to the employment of youth have been made by this committee?

8. When were such reports made?

Mr. ROGERS:

1. Yes.

2. Alan Chambers, Victoria, B.C.—merchant; J. McCulley, Newmarket, Ont.—headmaster; R. F. Thompson, Toronto, Ont.—clergyman; A. Montpetit, Montreal, Que.—lawyer; W. C. Nickerson, Halifax, N.S.—merchant.

3. Alan Chambers—July 4th, 1936; J. McCulley—August 11th, 1936; R. F. Thompson—August 11th, 1936; A. Montpetit—September 1st, 1936; W. C. Nickerson—September 21st, 1936.

4. Alan Chambers—$570.10; J. McCulley—$421.35; R. F. Thompson—$384.39; A. Montpetit—$77.40; W. C. Nickerson—$55.64.

5. Alan Chambers*—$2,985.00; J. McCulley—$1,290.00; R. F. Thompson—$1.507.50; A. Montpetit—$585.00; W. C. Nickerson—$225.00.

6. $15.00 per day.

7. Five reports have been made to the National Employment Commission.

8. August 6th, August 25th, October 9th, 1936, January 6th, 1936 (two).

MINOR WATERS OF CANADA

Mr. GREEN:

1. Have any waters on the Pacific coast of Canada been specified as "minor waters of Canada" since June 23, 1936?

2. If so, what waters have been so specified?

3. Have any persons been granted temporary master's certificates authorizing them to take charge of steamships plying on these waters?

4. If so, what applicants?

* Approximately 25% of Mr. Chambers' expenses have been incurred on work for the National Employment Commission other than the Youth Employment Committee.

Mr. HOWE:

1. Yes.
2. (a) Alberni canal and the eastern channel of Barclay Sound as far west as Bamfield creek. (b) The whole of False creek, east of Burrard bridge. (c) The whole of Prince Rupert harbour as far south as Charles point. (d) The whole of Quatsino Sound as far west as Koprino harbour.
3. Yes.
4. Finnie Baker and Richard Cook.

EASTERN CANADA AIR LINES, LIMITED

Mr. PURDY:

1. Has a licence been issued by the Department of Transport, or by any other department of the government, to Eastern Canada Air Lines Limited, authorizing them to carry passengers, freight, etc.?
2. If so, does this licence confine their activities on certain routes to certain hours?
3. What other air company or companies are operating on such route or routes and does such company or companies at present receive a subsidy for the carrying of mail?

Mr. HOWE:

1. No.
2. Answered by No. 1.
3. Canadian Airways, Limited, operate an air mail service between Moncton and Charlottetown under contract with the Post Office Department.

EMPLOYMENT—BRITISH COLUMBIA

Mr. MacNEIL:

1. How many men were employed as at December 31, 1936, under the agreement of November 16, 1936, with the government of British Columbia to provide supplementary work for single unemployed men?
2. Has the number so engaged increased or decreased since December 31, 1936?
3. What is the hourly rate of pay to men employed on the projects specified?
4. What is the maximum period of employment to each man?
5. What is the length of the period during which his earnings on these projects are expected to provide maintenance?
6. Has the Department of Labour issued any instructions concerning the right of the men to organize in their own interests?
7. On what basis were the men selected for employment on these projects?
8. Does the Department of Labour exercise supervision over working conditions?

Mr. ROGERS:

1. 602.
2. Increased.
3, 4, 5, 7 and 8. The administration of the projects covered by the agreement including supervision is in accordance with the terms of the agreement the responsibility of the provincial authorities.
6. No.

[Mr. Green.]

TORONTO POST OFFICE—NIGHT WORK

Mr. CHURCH:

1. Are any changes in the working conditions and hours of the night shift at the Toronto post office under consideration at the present time?
2. If so, what are they?
3. Have any requests been received therefor? If so, from whom?
4. How many hours' work per each employee is performed by the night shift?

Mr. ELLIOTT (Middlesex):

1. No.
2. See answer to No. 1.
3. Yes. Employees have made representations in favour of returning to a 7 hour tour of duty when on night shift.
4. Employees on night shift are required to work the regular week of 44 hours.

TORONTO BOARD OF EDUCATION—FEDERAL AID

Mr. CHURCH:

1. Have any applications been received by the government, or any member thereof, from the Toronto Board of Education or others, for federal aid towards the cost of erecting a new annex to the Central Technical School, for teaching of aircraft work and training students for work in civil and military aviation?
2. If so, what action, if any, has been taken?

Mr. HOWE:

1. Yes; by the Department of Transport.
2. No action taken, for reasons set forth in the correspondence.

ROYAL COMMISSION ON INDUSTRIAL TRAINING AND TECHNICAL EDUCATION

Mr. CHURCH:

What is the exact text of the short findings of the federal royal commission on technical education, appointed by Sir Wilfrid Laurier's government, to the effect that technical education was exclusively a federal problem under the British North America Act?

Mr. ROGERS:

The exact text of the findings of the royal commission on Industrial Training and Technical Education, 1913, under the chairmanship of Dr. J. W. Robertson, C.M.G., is set out in sessional paper No. 191d of the Journals of the House of Commons, 1913, but is not to the effect that technical education was exclusively a federal problem under the British North America Act. The commission's opinion as to control and regulation is expressed in the following extract, from page 21 of the said sessional paper:—

"The commission is of the opinion that, industrial training and technical education in order to be of greatest benefit to individuals, to industrial development, to localities, to the several provinces and to the dominion as

a whole, should be organized and maintained in accordance with the following principles:—

"1. It should be under provincial control and regulation.

"2. It should receive financial support from individuals, from local authorities, from provincial governments and from the dominion."

The commission's opinion as to federal participation in technical education is to be found in the following extract from page 26 of the same sessional paper:—

"5. The very considerable increase in the population of Canada by immigration is throwing additional burdens for elementary education upon the communities and the provinces. The enhanced public revenues due to growth by immigration goes in a large measure into the dominion exchequer. The increase of the volume of trade brings in larger amounts through the customs offices. This would indicate that the new financial responsibility and burdens for industrial training and technical education, on a scale large enough and generous enough to be available to all the people between the ages of 14 and 18, should be sustained in large measure by funds from the Dominion government."

The commission's recommendation in regard to the extent of the financial assistance which should be rendered by the federal government to the provinces is set out on page 268 of the said sessional paper, as follows:—

"The commission recommends that the sum of $3,000,000 be provided annually for a period of ten years by the parliament of Canada and paid annually into a dominion development fund."

CANADIAN NATIONAL RAILWAYS—HEAD OFFICE

Mr. CHURCH:

1. In what year were the head offices of the Canadian National Railways moved from Toronto to Montreal and on whose recommendations and on what grounds?

2. Has the attention of the government been called to the announcement in the press of January 22 and January 25, of Sir Edward Beatty, president of the Canadian Pacific Railway, that the general manager and vice-president's headquarters of eastern lines is to be moved to Toronto?

3. Will the government give consideration to the re-transfer of the Canadian National Railways head offices back to Toronto?

Mr. HOWE:

1. Montreal was made the headquarters of the Canadian National Railways on the establishment of the Canadian National system in 1923, on the recommendation of the late Sir Henry Thornton. Toronto never was the headquarters of the Canadian National Railways as now constituted, the Grand Trunk Railway always having been managed and operated from Montreal.

2. Yes.

3. The government does not act in such matters except on the advice and recommendation of the Board of Directors of the Canadian National Railways.

BRITISH COLUMBIA—FISHERY ACT LOANS

Mr. NEILL:

1. How many applications have been received from British Columbia for loans under the Canada Fishery Loan Act?

2. How many have been granted?

3. What is the aggregate of the loans so granted?

Mr. DUNNING:

1. Twenty-one.

2 and 3. Three applications for $1,500, of which two amounting to $1,100 dropped by applicants subsequent to approval.

CROWN LAND AND SEIGNIORY DIVIDING LINES

Mr. POULIOT:

What are the division lines between the property of the dominion government and, (1) the seigniory of Terrebois; (2) the seigniory of Rivière-du-loup; (3) the seigniory of Leparc; (4) the seigniory Villeray; (5) the seigniory of l'Isle-Verte; (6) the seigniory of Trois-Pistoles, along the St. Lawrence river.

Mr. HOWE: Under the British North America Act, all crown lands are vested in the right of the province except the beds of such harbours as were public harbours at the time of Confederation the line between which and the ripa is the high water line.

INDIANS ON RELIEF

Mr. POULIOT:

What is the number, (1) of Indians, and (2) of their dependents who have received relief each year since 1929?

Mr. CRERAR:

	1	2
1930-31	6,937	9,088
1931-32	8,011	11,193
1932-33	11,119	16,364
1933-34	14,314	22,407
1934-35	14,016	23,406
1935-36*	13,633	23,034

* Up to October, 1936.

EXCISE ACT—SEIZURE OF AUTOMOBILE

Mr. FERLAND:

1. Did officers by virtue of the Excise Act seize an automobile in the possession of a man named Martin, of St. Alexis de Montcalm, and was the latter prosecuted in the court at St. Jerome?

2. If so, (a) has judgment been given by the magistrate; (b) on what date; (c) has said automobile been declared confiscated?
3. Was said automobile sold after seizure, but before the said judgment?
4. If so, (a) by whom; (b) to whom; (c) at what price; (d) upon what date?

Mr. ILSLEY:

1. Yes.
2. (a) Yes; (b) 17th September, 1934; (c) Yes.
3. No.
4. Answered by No. 3.

IMMIGRANTS ON S.S. MONTCALM

Mr. CLARK (Rosedale):

1. How many emigrants embarked on the steamship "Montcalm" at Cherbourg on September 23, 1936?
2. What were their nationalities?
3. Were they all taken through Montreal?
4. What, if any, restrictions were placed against the disembarkation of passengers at Quebec?

Mr. CRERAR:

1. Twenty-five immigrants arrived at the port of Quebec on the steamship "Montcalm" on the 30th September, 1936. There were no other emigrants on that ship destined to Canada.
2. Hungarian 11; Italian 2; Roumanian 5; Yugoslavian 5; Czechoslovakian 2.
3. Yes.
4. None.

COST OF FEDERAL AND PROVINCIAL GOVERNMENT

Mr. CHURCH:

1. Have any requests been received by the government or any members thereof, suggesting the appointment of a royal commission to investigate the huge cost to the people of Canada of federal and provincial governments?
2. If so, will the government take any steps in the matter?

Mr. MACKENZIE KING: The answer to the first part of the question is, yes. Representations were received from the Canadian Chamber of Commerce on December 5, 1935, for submission to the dominion provincial conference meeting December 9, 1935. The other part of the question relates to a matter of policy and it is not usual for the government to make statements on matters of policy in giving replies to questions.

ONTARIO'S POSITION IN CONFEDERATION—BURDEN OF TAXATION

Mr. CHURCH:

Will the government consider the appointment of a royal commission to make a survey and investigate Ontario's position in confederation, with a view to giving agriculture, industry, municipal authority and real estate in the province some relief from heavy burden of taxation?

Mr. MACKENZIE KING: What I have just said with respect to the government not replying to questions which relate to matters of policy is applicable to this question.

CANADIAN NATIONAL RAILWAYS—TIES PURCHASED IN QUEBEC

Mr. LACROIX (Quebec-Montmorency):

1. What quantity of ties was purchased in the province of Quebec, in 1936, for the Canadian National Railways?
2. To what persons or companies were contracts for the sale and delivery of such ties awarded?
3. What quantity was awarded to each?
4. What price was paid to each?

Mr. HOWE: This is the type of question that deals with the management of the railways which the Canadian National Railways have consistently refused to answer.

Mr. SPEAKER: Dropped.

QUESTIONS PASSED AS ORDERS FOR RETURNS

STAFF AT PORT CHURCHILL

Mr. PERLEY (Qu'Appelle):

1. How many men were employed between the 1st day of June and the 31st day of December, 1935, on the seasonal or temporary staff at the port of Churchill?
2. What were their names and home addresses and on whose recommendation were they appointed?

Mr. HOWE: Return tabled herewith.

FEDERAL DISTRICT COMMISSION

Mr. PINARD:

1. During the calendar year 1936, how many men, permanent and temporary, were employed by the federal district commission?
2. What are the names of the permanent employees?
3. What were the names of the temporary employees?
4. Where were these employees, permanent or temporary, born?
5. What are their respective nationalities?
6. What salaries were paid to the permanent employees?
7. What wages were paid to each of the temporary workmen: (a) per diem rate; (b) how many days employed; (c) nature of the work upon which they were engaged?
8. If any of these employees are not Canadian born, what were the dates of their entry into Canada?

CIVIL SERVANTS IN MONTREAL

Mr. FERLAND:

1. What are the names, occupations and salaries of all officers or civil servants of the

federal government, permanent or temporary, in Montreal, in all departments other than the post office?

2. What are the names of such employees who are bilingual?

FARM IMPLEMENTS COMMITTEE

Mr. WILTON:

1. Did the government provide counsel during the last session of parliament for the agriculture committee inquiring into the price of farm implements in Canada?

2. If so, what was the name and address of counsel so appointed?

3. Upon what basis was the said counsel engaged: (a) salary per day; (b) expenses per day?

4. Has the said counsel been in the continuous employ of the government in connection with the said investigation since he was first appointed?

5. What was the total amount paid to said counsel, and what amount, if any, remains to be paid?

Mr. WILTON:

1. Did the government provide an auditor during the last session of parliament for the Agriculture Committee inquiring into the price of farm implements in Canada?

2. If so, what was the name and address of the auditor so appointed?

3. Upon what basis was the said auditor engaged: (a) salary per day; (b) expenses per day?

4. Has the said auditor been in the continuous employ of the government in connection with the said investigation since he was first appointed?

5. What was the total amount paid to said auditor, and what amount, if any, remains to be paid?

Mr. WILTON:

What has been the total expenditure to the government on the investigation into the price of farm implements by the Agriculture Committee by way of counsel fees, auditor fees, witness fees, expenses and other services?

POPULATION OF CANADA

Mr. GAUTHIER:

1. What was the population of Canada in 1871?

2. What was the population of Canada in 1881?

3. How many immigrants entered Canada from 1871 to 1881?

4. What was the population of Canada in 1891?

5. How many immigrants entered Canada from 1881 to 1891?

6. What was the natural increase in population for the period between 1881 and 1891?

7. What was the population of Canada in 1901?

8. How many immigrants entered Canada from 1891 to 1901?

9. What was the natural increase of population for the period between 1891 and 1901?

10. What was the population of Canada in 1911?

11. How many immigrants entered Canada from 1901 to 1911?

12. What was the population of Canada in 1921?

13. How many immigrants entered Canada between 1911 and 1921?

14. What was the natural increase of population for the period from 1911 to 1921?

15. What was the natural increase of population for the period from 1901 to 1911?

16. What was the population of Canada in 1931?

17. How many immigrants entered Canada from 1921 to 1931?

18. What was the natural increase of population in Canada for the period from 1921 to 1931?

19. What is the estimated population in 1937?

20. What is the natural increase, i.e. surplus of births over deaths?

21. What was the amount expended for immigration purposes for each of the decennial periods: 1871 to 1881, 1881 to 1891, 1891 to 1901, 1901 to 1911, 1911 to 1921, 1921 to 1931; also for the period 1931 to 1937?

INCOME TAX PAID BY SASKATCHEWAN FARMERS

Mr. COLDWELL:

1. What number of Saskatchewan farmers paid Dominion income tax in the years 1930, 1931, 1932, 1933, 1934, 1935, and 1936?

2. What was the total amount of Dominion income tax paid by above farmers?

3. What was the total amount of Dominion income tax paid by all residents of Saskatchewan during the same period?

CENSUS RETURNS IN QUEBEC

Mr. FERLAND:

1. In each of the federal constituencies in the province of Quebec, what were, (a) the population at the last census; (b) the number of electors registered on the last voters' lists; (c) the area of each constituency?

2. What was the total number of votes received in the province of Quebec in the last election, (a) by the Liberal candidates; (b) by Conservative candidates; (c) other candidates?

DEPARTMENT OF NATIONAL DEFENCE

Mr. POULIOT:

1. In each of the following branches of the Department of National Defence, (1) administration, (2) treasury office, (3) central registry, (4) contracts branch, (5) printing and stationery, (6) naval service, (7) chief of the general staff, (8) signals, (9) historical section, (10) adjutant general, (11) medicals, (12) records, (13) quartermaster general, (14) master general of the ordnance, (15) Royal Canadian Air Force, (16) No. 1 Aircraft depot, (17) Royal Canadian air force station, Ottawa, (18) Connaught rifle range, (19) drill halls—how many, (a) officers and, (b) men, are (1) older, and, (2) younger than thirty-seven (37) years?

2. In each of the above-mentioned branches, how many, (a) officers, (b) men, who are thirty-seven (37) years old and older, have been in the line in an actual theatre of war?

3. Referring to the previous paragraph, how many in each branch have been stationed, (a) farther than twenty miles behind the fighting line, (b) in England?

4. Referring to paragraph 2, how many in each branch did not leave Canada on active service overseas?

5. How many officers and men in each branch were born in Canada and how many were not?

SOURCES OF FEDERAL REVENUE

Mr. POULIOT:

Referring to sessional paper No. 125 of the present session, indicating the revenue from federal taxes received by the Department of Finance and the National Revenue Department (Customs, Excise and Income branches), what were the other sources of revenue to the federal government during the last five fiscal years?

EXAMINATION PREFERENCE IN ALLIED COUNTRIES TO CANADIAN SOLDIERS

Mr. POULIOT:

Referring to sessional paper No. 120 of 1937, did the Dominion government ever try to know if any allied countries of His Majesty during the great war had accorded a preference to Canadian candidates in their civil service, and, if so, when?

CLASS B AGRICULTURAL FAIRS

Mr. GRAYDON:

1. How many class B agricultural fairs were held in Ontario in 1936?

2. At what places were the said fairs held?

3. What grants, if any, were made by the Government of Canada to each of the said fairs?

4. What requirements must an agricultural fair comply with before it receives a class B recognition by the Dominion Department of Agriculture?

CIVIL SERVICE ACT

Mr. LAPOINTE (Matapedia-Matane):

1. How many civil servants entered the various departments of the government under the provisions of the Civil Service Act, since 1920?

2. What was their place of residence when they entered the service?

3. How many are bilingual in each department?

Mr. RINFRET: This will stand as an order for return as to Nos. 1 and 2. As regards No. 3, I am informed that no record is kept of the information sought and the order will have to stand amended.

CIVIL SERVICE COMMISSION

Mr. LAPOINTE (Matapedia-Matane):

1. How many positions under the Civil Service Commission were advertised in the province of Quebec from January 1 to December 31, 1936?

2. What are these positions, and for which did the Civil Service Commission require the candidates to be bilingual?

3. To whom was each of such positions awarded, and what were the residence and age of each successful candidate at the time of his appointment?

[Mr. Pouliot.]

4. How many of such positions were given to (1) great war veterans; (2) soldiers of the allied armies of His Majesty during the great war; (3) other candidates?

BUSINESS OF THE HOUSE

PROCEDURE WITH RESPECT TO QUESTIONS ON THE ORDERS OF THE DAY AND PARLIAMENTARY RETURNS

Right Hon. W. L. MACKENZIE KING (Prime Minister): On Friday last the hon. member for Weyburn (Mr. Douglas) asked a question of my colleague the Minister of Justice (Mr. Lapointe) as to whether the government had any intention of introducing a certain bill at this session. The Minister of Justice replied that, in the absence of the leader of the government, the question would have to stand. I may say to my hon. friend, in answer to his question, that the matter is one of policy and therefore if any action is to be taken it will be made known by the government in due course. However, I am rising at the moment more particularly to direct the attention of hon. members to the rules of the house with respect to questions. Standing order 44 reads:

(1) Questions may be placed on the order paper seeking information from the ministers of the crown relating to public affairs; and from other members relating to any bill, motion, or other public matter connected with the business of the house, in which such members may be concerned; but in putting any such question or in replying to the same no argument or opinion is to be offered, nor any facts stated, except so far as may be necessary to explain the same. And in answering any such question the matter to which the same refers shall not be debated.

(2) (a) Any member who requires an oral answer to his question may distinguish it by an asterisk.

(b) If a member does not distinguish his question by an asterisk, the minister to whom the question is addressed hands the answer to the Clerk of the House, who causes it to be printed in the official reports of the debates.

Standing order 45 has also to do with notices of questions and matters of that sort. I wish to point out that the rules have been framed for the convenience of members and for the saving of the time of the House of Commons. The question that was asked by the hon. member might have been put as a notice on the order paper and it would have been replied to in the regular way. If he had wished an oral reply all he would have had to do was to distinguish it by an asterisk. But to rise and ask a question orally in the house and in the absence of the minister concerned to expect another minister to answer it is simply to take up the time of the house to no good purpose. May I respectfully say that I have noticed during this session that many hon.

members are falling into the habit of handing to members of the government, just prior to the time at which the house convenes, questions to which they expect ministers to make verbal replies. This procedure is all right where the matter is urgent and it is clearly in the public interest that the question should be asked at the moment, and where some interest would suffer if it were not then asked; but with that exception, I think it would be in accord with the wish of hon. members in all parts of the house that the rule with respect to giving adequate notice of questions should be followed.

Mr. T. C. DOUGLAS (Weyburn): May I say a word in reply to the Prime Minister? I sent a copy of the question to the Prime Minister forty-eight hours before asking it, and on the morning of the day I asked the question the Prime Minister's secretary telephoned me and said that in view of the fact that the Prime Minister would not be in the house he had arranged with the Minister of Justice to answer it. He telephoned me this morning and said that he had misunderstood the Minister of Justice. I gave the minister sufficient notice and if I had known that he preferred that I should put the question on the order paper I would have followed that procedure.

Mr. MACKENZIE KING: What my hon. friend has just said only proves the wisdom of the rule. If my hon. friend had sent the question to the Clerk of the House it would have appeared on the order paper and an answer would have been ready. It so happened that on Friday it was impossible for me to be here at the opening and I thought I had arranged to anticipate any matters which might come up. I raise the point, not by way of criticism of my hon. friend but merely to bring forward a course of procedure to which I think the attention of the house should be drawn with a view to saving unnecessary repetition in questions of the kind. May I at the same time say a word about some of the information and returns which are being asked for. The government has every desire to give to the house all information that is desired. But some requests are made that involve a large expenditure, an expenditure far out of proportion to any end that might be served by the information requested. I would suggest that where members have requests of the kind to make of the government they take up with the minister concerned in the first instance the possibility of securing the information, and that they consider carefully the form in which requests are worded. For example, on today's list there is question No. 48, relating to civil servants. The question reads:

1. How many civil servants entered the various departments of the government under the provisions of the Civil Service Act, since 1920?
2. What was their place of residence when they entered the service?
3. How many are bilingual in each department?

That means a search from one end of Canada to the other for the information which is requested. I question whether the reply, while it may be possible to have it compiled, if it is to be accurate, can be made available within several years. That kind of question does not facilitate the business of the house nor does it keep down the expenses of government. I would also direct attention to question No. 42, which it would seem is also unnecessarily detailed:

In each of the following branches of the Department of National Defence, (1) administration, (2) treasury office, (3) central registry, (4) contracts branch, (5) printing and stationery, (6) naval service, (7) chief of the general staff, (8) signals, (9) historical section, (10) adjutant general, (11) medicals, (12) records, (13) quartermaster general, (14) master general of the ordnance, (15) Royal Canadian Air Force, (16) No. 1 aircraft depot, (17) Royal Canadian Air Force station, Ottawa, (18) Connaught rifle range, (19) drill halls—how many, (a) officers and, (b) men, are (1) older, and (2) younger than thirty-seven (37) years?

Surely those are not fair questions or questions to which answers in detail should be expected. If they should be answered a little more abruptly than might be thought desirable, I hope my hon. friends will not misunderstand the reason.

Right Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, if I were to close my eyes, and if the inflection of the voice were slightly changed, I would fancy that the right hon. gentleman was speaking for one who sat in that place not so long ago. I am fearful that the new members of this house have learned the habits to which the right hon. gentleman referred from reading Hansard between 1930 and 1935. I very much fear that is the real cause, because every word the right hon. gentleman has uttered with regard to expense, the time that must be occupied in obtaining the information and the uselessness of such returns when obtained, you will find in Hansard frequently between 1930 and 1935.

I have only one word to add. As leader of the opposition the right hon. gentleman sometimes remarked, when observations such as those to which we have just listened were made by the then prime minister, that after all it was not really the proper thing for the

prime minister to lecture the house about such matters; that the clerk had certain discretion as to the placing of questions on the order paper. I do commend the matter to the attention of my right hon. friend, and I suggest that when he has read again the record of 1930 to 1935, if it is necessary that he do so in order to refresh his memory, probably he will realize just why so many new members have pursued a course which is supported by so high an authority.

MOTIONS FOR PAPERS

WAINWRIGHT BUFFALO PARK EMPLOYEES

Mr. FAIR:

For a copy of all correspondence, telegrams, charges, evidence and other documents, dated from January 1, 1936, to date, in the possession of the Department of Mines and Resources or the office of the prime minister, relating to the dismissal of the following from the buffalo park at Wainwright, Alberta: H. B. Walker, D. W. Walker, John Novak, R. A. MacKay, H. B. Knox, Fred Grayson, Robert McLean, Jas. Henderson, Cliff Abernathy, Joe Beckett, and John Hardy.

Also a statement showing the dates of appointment and dismissal and reasons assigned for dismissal in each case, along with all information received which resulted in such dismissals, and the name or names of the person or persons who assumed responsibility for or furnished such information.

Also a statement showing the names of the men appointed to fill the vacancies caused by the above-mentioned dismissals and the name or names of the person or persons who recommended these appointments.

EMILE LECLAIR

Mr. LOCKHART (for Mr. Wermenlinger):

For a copy of all correspondence, recommendations, reports in connection with the dismissal of Emile Leclair from the harbour commission at Montreal in 1936 and the appointment of Joseph Simard in his stead.

VANCOUVER HARBOUR COMMISSION—PURCHASE OF PROPERTY AT MOODY, B.C.

Mr. MacNEIL:

For a copy of all documents, letters, telegrams, memoranda and agreements relating to the negotiation for purchase and actual purchase by the Vancouver harbour commission of the property described as the Moodyville property and situated at Moody, British Columbia.

CANADA LAND AND IRRIGATION COMPANY

Mr. MITCHELL:

For a copy of: (a) all agreements between the Canada Land and Irrigation Company and the crown; (b) all orders in council relating to said company; (c) all correspondence passing, to date, between the said company, or any of its officials in Canada or elsewhere, and the dominion government.

[Mr. Bennett.]

Mr. CRERAR: Mr. Speaker, before the motion is put may I say to my hon. friend that it will be impossible to supply all this information. In 1930 the resources were transferred to the province of Alberta, and in due course all the correspondence and agreements that obtained up to that time. As far as the orders in council are concerned, they can be brought down. I should think also that part of paragraph (c) of the question could not be answered fully, for the reason I stated a moment ago.

Motion agreed to.

FISH TRAPS IN BRITISH COLUMBIA WATERS

Mr. NEILL:

For a copy of all correspondence, letters, telegrams, memorandum and other documents exchanged between any member or officer of the present or late government and any other person in connection with the subject of fish traps in British Columbian waters from the 1st of September, 1934, to date.

Mr. MICHAUD: If the house adopts this resolution as it is drafted it will impose an obligation almost impossible to perform and a duty upon some of the ministers which it will be impossible to discharge. The order of the house can be complied with if it is restricted to the official files of the Department of Fisheries.

Mr. NEILL: That will be quite satisfactory. I would point out that the time referred to is very limited, in order to save expense.

Motion agreed to.

SINGLE UNEMPLOYED MEN—SPECIAL PROJECTS IN BRITISH COLUMBIA

Mr. MacNEIL:

For a copy of all instructions and regulations issued by the Department of Labour relative to the conditions under which single unemployed men have been engaged on the special projects authorized by the agreement between the Department of Labour and the government of the province of British Columbia, November 16, 1936.

Mr. ROGERS: I would ask the hon. member in whose name this motion stands to withdraw it, in view of the fact that the information for which he asks has been tabled already. The agreement between the dominion government and the province of British Columbia was tabled the day following the opening of the session, and further information as to regulations is given in the answer to a question on the order paper, tabled to-day.

Mr. SPEAKER: Dropped.

ST. ANN'S, ONT., POSTMASTERSHIP

Mr. LOCKHART:

For a copy of all correspondence, communications, charges, evidence and reports dated during the years 1935 and 1936, in connection with the dismissal of Ernest L. Snyder as postmaster of St. Ann's, Ontario.

Mr. ELLIOTT (Middlesex): Mr. Speaker, I would suggest that the year 1935 be changed to 1932, as I am advised there is some correspondence between those dates that would be material to the matter.

Motion as amended agreed to.

BRITISH NORTH AMERICA ACT

PROPOSED COMMITTEE TO RECOMMEND AMENDMENTS LOOKING TO IMPROVEMENT OF SOCIAL AND ECONOMIC CONDITIONS

Mr. M. J. COLDWELL (Rosetown-Biggar) moved:

That, in the opinion of this house, in view of the urgent necessity of effective action for the improvement of the social and economic conditions of the people of Canada, and, in view of the condition of social and other legislation passed by parliament during the tenure of office of the late government, and, in view of the forward-looking legislation recently enacted in the United States and other democratic countries, a special select standing committee of the house be set up to recommend the specific amendments to the British North America Act required to enable this dominion parliament to enact necessary and desirable legislation for the better social conditions of the Canadian people.

He said: Mr. Speaker, since the resolution was placed on the order paper when the house met in January, the subject matter of the resolution has become of more than academic interest. Of course last Tuesday's debate, initiated by the leader of the opposition (Mr. Bennett), to a great extent anticipated a discussion of the matter now before us. But since that time the judgments of the privy council with respect to social security measures of the late government have been delivered, and they create something in the nature of a national emergency in relation to the whole question of social and economic legislation. People find their wills thwarted by constitutional difficulties undreamed of when the British North America Act was passed.

To-day Canada finds herself definitely unable to enact progressive social legislation on a national scale through a national parliament, and thereby a situation of national concern and emergency is created. Apart from any argument as to the desirability or otherwise of the legislation affected by the judgments, it is imperative that in days when democracy is being undermined ways and means shall be found at once to rectify the situation and to restore to the Canadian people their faith in our democratic institutions as instruments of reform. In my opinion this involves both a short term and a long term view. To meet the latter the resolution was originally placed upon the order paper. To meet the former it seems to me that without delay, now that the dominion jurisdiction has been denied, an interprovincial conference should be summoned to consider what measures should be taken to protect and improve standards of living. With parliament in session and the legislatures either sitting or about to sit, the situation might be met temporarily by the passage of concurrent legislation. It seems to me however that because it is both cumbersome and unsatisfactory, this should be regarded as only a temporary method of dealing with matters of the kind.

I am pleased to note that the Farmers' Creditors Arrangement Act has been declared valid, and I trust no attempt will be made to restrict its terms or provisions, indeed if anything is done regarding this measure, I hope its terms and provisions will be widened rather than narrowed. Of the measures disallowed several are of fundamental social and economic importance. Who will deny, for example, that uniform legislation for the regulation of hours of industry, the weekly day of rest and the setting of minimum wages, is necessary? Conditions exposed in some industries by recent investigations cry aloud for immediate legislative action.

What about unemployment insurance? If, as we are frequently told, business is on the upswing, then immediate preparation should be made for the inevitable downward plunge, the time to make that preparation is when economic conditions are said to be improving. The same consideration would apply with equal force to legislation and plans for the orderly marketing of our farmers' produce. Such legislation should have the approval of the producers. In the opinion of many people —and I can speak at least for those in western Canada—a natural products marketing act is a primary necessity. My submission is that failure to provide such measures of social security will invite widespread discontent and seriously undermine public confidence in parliamentary institutions. Hence the recent judgments of the privy council may become the source of further grave unrest, unless steps are taken by parliament and the legislatures to give effect to the demands of farmers and workers for social legislation and security

measures. Whatever else may be contemplated, it seems to me an emergency interprovincial conference should be called immediately to deal with the situation which has arisen as a result of the privy council judgments.

Having said that, may I add that when I placed the resolution on the order paper I intended, first, to focus attention upon amendments to the British North America Act and, second, to discuss proposals designed to give greater social and economic security to the masses of the Canadian people. During nearly twenty years of active participation in public affairs, in common with others I have supported various suggested reforms which almost invariably in their initial presentations have been met by the argument that they could not be undertaken because of the British North America Act. I was one who perhaps regarded the argument rather more lightly than events of the past week might have warranted. This act, which is the cornerstone of our constitution, I fear has become at times a pillar behind which reactionary interests have sought to shelter and to hide. Proposals have been made recently for the appointment of a royal commission to investigate economic and other conditions in western Canada. I believe the suggestion has much to commend it, but I would point out that in view of the judgments just delivered we need, first of all, to amend or remodel the British North America Act in order to be able to make effective any recommendations of such a royal commission.

Perhaps because of my old country education and training in the rights and duties of British citizenship I find it very difficult to understand the profound reverence for written constitutions and documents which I have found in many quarters in the country in which I now live. Possibly this arises out of our susceptibility to ideas emanating from south of the Canada-United States border, where the constitution of 1776 has been regarded as almost too sacred to be criticized. I am glad to note that in the discussion which occurred in this house last Tuesday there did not seem to be a disposition to regard the British North America Act in a similar light.

Parliament is elected by the people to carry out the will of the people as expressed from time to time. It is intolerable that men, no matter how wise and how good they may have been in their day and generation, or parliaments long since gone by, should be able to bind the hands of a new generation and of their successors. Recently we have heard much about the supremacy of parliament. Under British constitutional practice the House of Commons in that country is, in the finanl analysis, the supreme power. If there were previously any doubts as to this, I take it that the events surrounding the abdication of King Edward VIII settled the matter once and for all. Therefore I believe an attempt should be made here, in Canada, to deal with our constitution so that it cannot be used as a drag upon the progress of the Canadian people. Morever, unless we bring it more into conformity with the requirements of our age, its inflexibility, like the rigidity of a sealed container full of air when heat is applied, will sooner or later cause an explosion. If we look over our economic and social situation at the present time we shall find many factors generating heat and making for such an explosion.

As was indicated the other afternoon, the British North America Act is a relic of the pre-industrial age. Some people have called it the ox cart age, but "pre-industrial age" I think describes it more accurately. The chaotic conditions of the dominion-provincial financial arrangements illustrate how out of date the act has become in the field of modern social and economic requirements. There can be no permanent or satisfactory adjustment in these relationships until we come to grips with the social and economic problems involved in the constitution. I venture to say that there is not a member of this parliament or a public man in Canada who has not felt at some time or other that the constitutional question has been used as a drag upon Canadian progress.

However well it suited the requirements of 1867 it is no longer a satisfactory instrument for the completely changed conditions of 1937. The seventy years which have elapsed have seen a world more completely transformed than did the thousand years which preceded them. Let me emphasize the fact that the British North America Act constricts our activities, makes for confusion, and encourages sectionalism and general instability. Public discussion and consideration of this aspect of our constitution must accompany proposals for measures leading to greater economic and social security. That is why this resolution has been placed upon the order paper. I said a moment ago that under the British constitution the House of Commons is, in the final analysis, the supreme authority. It is time we brought our constitutional practice into conformity with that of Great Britain.

Mr. BENNETT: Parliament, not the House of Commons.

Mr. COLDWELL: The leader of the opposition (Mr. Bennett) says, "parliament, not the House of Commons." But I was just coming to that point. In my opinion the House of Commons is, in the final analysis, the supreme authority under British parliamentary practice. For example, I can see no good reason for the continued existence of the senate, which was established ostensibly to protect provincial rights but which I believe no longer does so. If the abolition of the senate is not considered by such a committee as the one I have in mind, then the question of an elective senate might be considered. We should at least bring our parliamentary practice into conformity with the practice in Great Britain. In that country when a bill has been passed by the House of Commons and turned down by the House of Lords in two consecutive sessions, it becomes law without the consent of the upper chamber when it is passed by the House of Commons in the third consecutive session.

Mr. CAHAN: Do you think provincial legislatures should be continued and sustained?

Mr. COLDWELL: Yes, I do. I think there is a place for the provincial legislatures, just as I think there is a place under the British unitary system for local self-government on the county plan although they are not analogous. However, if we are to have a parliament legislating on social and economic matters for the people of Canada, a divided authority on the same matters is a very dangerous thing and is likely to lead to dissatisfaction and unrest among the people. I am simply suggesting that this committee should consider the Parliament Act of Great Britain, as passed in 1911, and study ways and means of providing legislation of a similar sort for Canada.

It may be said: how can these amendments be made effective? I think that the fathers of confederation, who were silent on that particular matter in the legislation which created this federal parliament, clearly contemplated that any amendment to the British North America Act or the constitution of Canada would be a matter for legislation on the part of the imperial parliament. In my opinion that was distinctly a colonial idea and one which prevailed in what might be called colonial days. I believe Canada should have the right to amend her own constitution. I was reading Professor Keith's treatise on the King and the Imperial Crown. In discussing the Statute of Westminster at page 428 he indicates very clearly that Canada did not desire that particular power when the statute was under discussion. He says this:

> The views of Canada were decisively in favour of retention of supreme power,—
>
> Supreme power by the British parliament.
>
> —for as yet Canadian constitutional change in essentials depends on British legislation.

Since then in South Africa the issue has been met by enacting the Status of Union Act of 1934, which provides that no imperial act shall extend to the union unless it is extended by a union act; and secondly by the enactment of the Royal Executive Functions and Seals Act of 1934, which provides that any instrument may be signed by the governor general by the authority of the cabinet where the king's signature for any reason cannot be obtained. Since the governor general is the nominee of the government, that clearly gives the Union of South Africa power to amend its own constitution, to proclaim its neutrality, and to decide its destiny.

Mr. BENNETT: It had the power to amend its constitution before.

Mr. COLDWELL: Thank you. In view of the confused international situation, and in conformity with our ideas of equal commonwealth status, Canada should be endowed with at least somewhat similar powers.

I would say that such a parliamentary committee as the motion suggests, should consider, first, ways and means by which the will of the Canadian people as expressed by the House of Commons can be made supreme. Since 1867 we have travelled far, and the Statute of Westminster quite definitely lays down the principle that the self-governing dominions are co-equal partners in the free association known as the British commonwealth of nations. Canada then as a nation must have the right to deal with its own social, economic and constitutional problems. If we achieve that right the problem on which the committee should make recommendations is that of the method to be followed within the structure of confederation.

I do not suggest that there should be any interference with minority rights peculiar to our national groupings. I do suggest that the time has arrived when power to legislate upon matters not contemplated when confederation was realized should be clearly defined as between this parliament and the provincial legislatures, and since the use of legislative powers usually involves financial commitments the whole question of the fields of provincial and federal taxation should be carefully reviewed. To-day we have many

instances of serious overlapping. Moreover, we have provinces that do not levy certain forms of taxation, which consequently are used as shelters to cover those who wish to escape those particular forms of taxation. I do not think that that is desirable or good or wise.

In recent years doubts regarding the respective rights of this parliament and of the legislatures have retarded the enactment and proclamation of really necessary and worthwhile legislation. Matters not contemplated when this dominion was established have become of first-class political and social importance, and necessary reform is thus unduly delayed by needless constitutional discussions, references to courts of law and subsequent judgments, resulting in discontent and widespread unrest and disaffection.

All this needs careful investigation and clarification so that no legal doubts nor unprogressive law courts can thwart the people's will. Social legislation demanded by the people remains to-day inoperative because of constitutional and legal differences of opinion, and now definitely of judgments. Until these barriers have been removed there is difficulty in securing that uniformity of action in regard to minimum wages, orderly marketing, health services, social insurance, old age pensions, and so on.

Duplication in administration involves added costs and regrettable delays in rendering the desired service to the people of the country. Action concerning matters of national interest is prevented by the lack of parliament's power to deal with them. In such matters we can proceed only as rapidly as the most reactionary provincial government will permit. Surely this is far from being a satisfactory state of affairs, and in these days it tends to discredit our democratic institutions as instruments of progress just when it is important to strengthen public confidence in them.

As I said a moment ago, we can proceed only as rapidly as the most reactionary provincial government will allow this country to proceed. I am not saying which or if any of the provincial governments may be placed in that category at the present time, but I do submit that if that point is debatable now, there may come a time when this, that, or the other province may have a reactionary government while all the other provincial governments are progressive, and under such a situation desirable legislation of a progressive nature might be held up indefinitely. In a rapidly changing world Canada lags behind already in social and economic legislation.

[Mr. Coldwell.]

This I think can be largely attributed to the constitutional doubts and difficulties which I have already indicated, and to the refuge which parliament and the legislatures have taken from time to time behind the cloak of the constitution. Yet surely both bodies today realize that the problem must be dealt with. Unrest among the people of the various parts of this dominion will continue and become intensified unless we solve the problem arising out of divided jurisdiction.

Already the financial side of confederation settlements has undergone drastic, if temporary, revision. How these revisions were undertaken is a matter of recent history. But upon what basis they were made is not at all clear to the public and the provinces, or, may I suggest, to the members of this house. I find, for example, that the subsidy payments to four provinces by the dominion have been greatly augmented to such an extent that in two cases the augmentation is only slightly less than the original subsidy, while in the other two it greatly exceeds the annual subsidy. The public accounts for the year ended March 31st last reveal that the subsidy for British Columbia was $874,561.46, which under vote 209 was augmented by a special grant of $750,000. The subsidy for Prince Edward Island, $381,931.88, was augmented by a special grant of $275,000. The subsidy for New Brunswick was $693,040.16, and it was augmented by a special grant of $900,000, while the subsidy for Nova Scotia was $653,047.60, and it was augmented by a special grant of $1,300,000. Obviously there were good reasons for making these grants, but equally obviously it is difficult for the public to understand why a distressed area such as the province of British Columbia, with a large population, received so much less than Nova Scotia, with a much smaller population. I am not at the moment criticizing the justice of these grants, but I venture to say that few members of this house could explain them, and I am using them to illustrate the point that the whole question of financial relationships between the dominion and the provinces should be carefully reviewed, because, after all, to a large degree they are based upon agreements and constitutional practices.

The financing of the various social projects should also be reviewed. For example, old age pensions have now reached the point where they are becoming nation-wide; hence they should be entirely federal and more nearly uniform. Incidentally, the clause in the old age pension act permitting the authorities to take liens on the small estates of the pensioners should be repealed. As

long as that remains, the payments are not pensions but loans repayable at death. Many old folks endure hardship and privation rather than relinquish their right to little bits of property which represent their savings of a lifetime. At the moment Canada lags behind both Great Britain and the United States in economic and social legislation, and demands for what we call social security measures will tend to increase rather than to decrease as this fact becomes more generally known and its implications realized. Hence it seems to me that preparation should be made, not next year or the year after but now, to meet these needs by clearly defining the powers of parliament and the legislatures, and, may I add, not only the powers but the responsibility of these various bodies. That would be one of the principal tasks of such a committee as that which the resolution asks shall be set up.

Sooner or later, too, this country will have to face the problem of debt in all its forms and phases. Last week we had an opportunity of discussing the problem of increasing purchasing power, and at that time we indicated how wealth was becoming accumulated and pointed out some things that might be done to redistribute purchasing power and remove some of our debts to those who have acquired the ownership of such obligations. I do not propose to traverse any of that ground this afternoon, but simply desire to suggest that the power to reduce debt and interest must be more clearly defined. In some provinces we have two debt adjusting authorities operating under dominion and provincial statutes respectively. Endless arguments arise as to which of the two authorities or statutes is the better, and doubts and difficulties also arise in the minds of harassed people. Yet debt adjustment must continue, and since the problem is nation-wide, national consideration should be given to it.

I intended to outline at some length what other countries or dominions were doing in relation to these problems, but time does not permit me to touch more than briefly upon their legislation. We are in many respects twenty-five years behind the motherland in such measures as unemployment insurance, housing legislation, and health benefits. British legislation along these lines first came into effect in 1912, after, it should be said, some European nations had adopted somewhat similar measures. We have now the benefit of their experience, and the bitterly condemned "dole," as it was called, of a quarter of a century ago has earned universal approval from all save a few reactionary persons here and there who have not realized the needs of the changed times in which we live. True, there are dark places, very dark places, in the old land, but there would have been more of them but for her social legislation. We could well afford to give effect to unemployment insurance, to schemes of housing and health services, upon a more generous and national scale. Money thus spent would, I submit, be more wisely spent than what may be expended for armaments even at the present time. More recently the United States has travelled far along the road of social security legislation, but owing to its constitution greater difficulties than we are likely to experience have had to be met. In spite of this, under the leadership of the central authority, unemployment benefits, old age pensions, pensions for the blind, the care of dependent children, and so on, are all well on the way. Our proximity to the United States makes it inevitable that increasing pressure will be brought to bear in Canada for the enactment of similar legislation. Preparatory to meeting these demands adequately a committee such as the motion proposes could recommend to this parliament appropriate legislation to enable us to meet them on a national basis.

In our sister dominions great progress has been made lately. This is especially true in New Zealand, where under a socialist administration—headed, incidentally, by the Hon. Michael Savage, and, incidentally, a gentleman who is a devout Roman Catholic—a series of progressive measures has been enacted, among them the control of the financial system through the national ownership of the central bank; the passage of a primary products marketing act so that minimum fixed prices are guaranteed from time to time and butter and other dairy produce marketed through a single government agency; measures for the prevention of profiteering, the control of hours and wages in industry, restoration of wage and pension cuts; and legislation is foreshadowed to control investment of national savings. At the close of 1936 the minister of industries and commerce for New Zealand was able to report significant rises in all departments of economic and social activity. In spite of the fact that New Zealand has grave difficulties on account of her remote position and her relatively small population, the minister was able to say that the dominion as a whole is marching towards an era of prosperity which will be reflected in higher standards of life for the masses of the people.

New Zealand has been able to go forward because no constitutional difficulties lie in her path. She is a small country, not a federal union, but a legislative union—the unitary system, as it was described here the other afternoon. We have questions which arise out of our federal union which ought to be settled at once. I would therefore suggest to this house that it approve of the government establishing a committee to inquire into the constitutional changes necessary to modernize our constitutional practice. That is what the motion asks, and I feel that members who do not necessarily agree with all the suggestions I have made in support of the resolution can nevertheless support the principle of it.

The privy council decisions made public a few days ago emphasize the importance of dealing with this matter at once. From time to time we hear in this house of what are termed subversive elements in our midst, but let me point out that if we have such subversive elements, they spring and grow from bad economic and social conditions. Repression will not stamp them out. The only way we can meet the demands for the better life, and the discontent that arises from a denial of those demands, is to enact measures in the parliament of Canada that will give to men and women an opportunity not only to work but to enjoy the natural resources of the country and the benefits of the machines and of science with which we are surrounded.

May I say that this is particularly true of the younger people in our dominion. There is discontent among them, and I believe that that discontent can be either healthy or unhealthy. They have a right to live, to enjoy the blessings of home and of marriage. They have a right to make a living. To-day they are denied those privileges. Can we wonder if there is discontent? Yet, through all these years, ever since the war, when new measures have been suggested to meet the economic and social situation that has been developing, again and again these measures have been opposed on the ground that they are not constitutional. To-day we have a demonstration of the fact that some of these much needed measures have been declared by the highest court in the empire to be unconstitutional. It is therefore of primary importance that parliament at this time consider ways and means of enabling either the dominion or the provinces to enact incontestable social legislation; but I submit that you must consider these problems on a dominion-wide scale rather than from a provincial point of view. Either the dominion, or the provinces, should have the right and the power to legislate to meet the social and economic situation that exists to-day.

I see that my time is just up, and I am going to ask the house to support this resolution and the government either to accept it or to suggest an alternative which is better. If such an alternative is suggested and appears to be better than the resolution I have proposed, I shall have a great deal of pleasure in supporting it.

Mr. J. G. ROSS (Moose Jaw): The other afternoon a debate of this kind took place, and at that time, with my limited knowledge of the rules of the house, I thought it was entirely out of order. But nobody seemed to call Mr. Speaker's attention to the fact, possibly owing to the prominence of the hon. members who started the debate. I think it is a good thing for the house to discuss at considerable length the British North America Act and possible amendments thereto, and as there are on the order paper no fewer than three resolutions dealing with the same subject we shall have plenty of opportunity to discuss it.

In the first place, confederation was formed for two main reasons. I have heard it said that confederation was formed in the first place on account of fear, but I do not altogether agree with that. Confederation was formed for two main reasons—the purpose of defence of the then colonies, and in order that those colonies might trade freely with one another. If the fathers of confederation had had in mind some of the things that have been done since then by this parliament, confederation would never have been formed. Some eleven or twelve years after the date of confederation there was put into effect by the then government a policy that has gone far towards wrecking confederation in this country, and it may succeed in wrecking it if it goes much further. I refer to the policy of protection, or the protective tariff. Had a protective tariff been in the minds of the fathers of confederation and been spoken of at the time, certainly some of the provinces would not have joined that confederation, especially had they been able to see into the future and visualize what would happen in this dominion.

Some two or three years ago a commission was formed in Nova Scotia to determine the effect of the protective tariff on that province, or rather evidence brought before a commission went to show that certain parts of the dominion paid to the extent of about

twenty-five cents out of every dollar to the protected industries of the country, receiving nothing in return. The protective tariff has developed in one particular section of Canada large industries at the expense of other sections—not in a provincial way, because where that industrial area lies the provinces as a whole are not helped by it to any great extent, but certain favoured individuals in that area are assisted. This has meant that industry in Canada has been drawn largely into one part of the country and any benefits therefrom have gone to that section to the detriment of other parts of the dominion. This has greatly affected the confederation. When one realizes that the fisherman on the Atlantic coast, who is a primary producer, must turn over from a fifth to a quarter of his fish in order to uphold protected industries in Canada; that the coal miner must turn over from a fifth to a quarter of the coal he mines in order to uphold those protected industries; that the man in the woods in Quebec who hauls in pulpwood must turn over from a fifth to a fourth of his load in order that the protected industries of Canada may prosper in one small section; that the miners of the north, the lumbermen, the farmers from one end of the country to the other must do the same thing, it is hard to say that confederation, when we have such policies carried on under it, is a good thing for Canada as a whole, and Canada will not hold together if that policy continues very long.

I heard the other day a statement, by the leader of the opposition (Mr. Bennett) I believe, that there was no danger of splitting Canada at the present time. Well, I should like to tell him and the members of this house that there never was a time in the history of Canada when there was more danger in that regard than there is right now. The people in the outlying parts of the country and the provinces farther away from that protected area are becoming sick and tired of paying through the nose and getting no return, while certain favoured people in one section are benefited. There are large sections of the country that have very few ties, or ever had, with that section. And when you find that certain portions of the country are and always will be devoted to the production of primary products and therefore under such a policy always will have to pay and receive nothing in return, the danger of trouble in this country is apparent.

The protective tariff has done another thing. We set up certain kinds of taxation for the federal government and certain kinds for the provinces. Now that under the protective system all industry has been driven into one small portion of the country it is very difficult for many of these provinces to procure the necessary amount of money to carry on their business. For instance, the executives of all these large industries—and I would link with them the financial houses and insurance companies, which are grouped in the same parts of the country—who draw down large salaries, are required to pay income tax only in one province. An income tax is a proper tax for the provinces, under direct taxation, but many of the provinces cannot reach the people whom they should be able to tax. These people who are gathered in one small portion of the country collect much of their revenues from every part of the dominion, but they are liable for income tax only in the province in which they live.

An hon. MEMBER: No.

Mr. ROSS (Moose Jaw): Provincially that is so. Then there is another thing. A succession duty tax is a proper tax for a province under direct taxation. If a man happens to have been successful throughout his life until, we will say, he reaches the age of fifty-five and then desires to sell his business and invest his money in this country, naturally he turns for investment to Canadian industries. If he happens to purchase stocks in the industries of Canada and dies while still owning such stocks, he can be taxed in any outside province only on the property that he owns in that province. On the stocks he has purchased, however, the succession duty tax is paid to the province in which the head office or transfer office of the industry is located. In other words the tremendous amount of money that has been invested in industries located in the provinces of Ontario and Quebec by people living in other provinces is made to pay toll, in the form of succession duty tax, to those two provinces, while the other provinces are unable to collect that tax. We have often heard it said in this house that by far the largest portion of our taxation is collected in certain cities in eastern Canada. Of course that is so, but it is so because people in those cities are doing business with all the other parts of the country.

Everyone seems to have adopted the view that we must amend the British North America Act in certain particulars. I am not so very sure that we have to amend that act a great deal, because when the British North America Act was framed a certain field was laid out for the provinces and another field for the dominion. If many of the provinces cannot carry out the work allotted to them by the British North America Act the only

reason is that they are financially unable to do so. When these provinces entered confederation in the first place they were separate, sovereign states or democracies. Under the British North America Act they are still separate, sovereign states and democracies within a certain field, and this parliament has no right to encroach upon their rights, as we have done so often in the last few years. For instance, while every mode of taxation was made available to the dominion, at that time it was not anticipated that the dominion would dip into direct taxation so deeply that it would be difficult for the provinces to collect enough revenue to enable them to carry on.

Further, Mr. Speaker, in this parliament we have passed certain legislation which has been more or less coercive in regard to the provinces. In effect we have said, "Well, the people want a certain thing. We will put at the disposal of the provincial governments so much money, and let the provinces put up the rest." As a result the moment we put an act in force in this parliament saying that this government was willing to give so much money if the province put up the remainder, the people of the province invariably forced the provincial authorities to spend that money, whether or not they wanted to do so. In this way the provinces have been obliged to make expenditures at different times which they could not afford. We passed an act here in connection with technical education. We started this thing and then, after it became a costly venture, we dumped the whole proposition over on the provinces and told them to go ahead and handle it. The same thing applies to roads. It is perfectly all right, if the government wants a trans-Canada highway, for the government to go ahead and build it. They have no right to say to the provinces that they must put up a certain amount of money in connection with such a venture. In that connection the federal government coerced the provinces into spending money that they did not want to spend, and the same thing applies in connection with old age pensions. I was in this house when that measure was passed, and we had no more right to pass an old age pension act than we had to pass a good deal of the other legislation we have enacted. Again we forced the provinces into something, whether or not they wished it. As I said a moment ago, they are sovereign states; they are democracies in their own right, and in this parliament we have no right to force a province into anything which it does not want to do, at least until we amend the British North America Act.

[Mr. J. G. Ross.]

Prior to 1867, there had been a certain amount of taxation in the four provinces which formed the confederation. At that time a certain line of work was laid out for the provinces and another line for the dominion. If we look back to that time we find that customs and excise revenue for those parts of the dominion amounted to about $8,500,000. In order that the provinces might have sufficient money to carry on the work they were to do the dominion turned back to them about $3,000,000, or almost half the amount of money then collected through customs and excise. I do not think the provinces would be in such great trouble to-day if the dominion had continued to do that. We must revamp the distribution of revenue between the provinces and the dominion.

Some people have said that the provinces have been coming down here with their hats in their hands only to get more money from the federal parliament. We should arrange matters so that they can get more of the total revenue collected than they are at present able to get. It is a crying shame that at this time, when interest rates are so low, the provinces are placed in the position that they cannot refinance the great debts they carry. No doubt in a short time interest rates will be back to normal, and the debt the provinces carry, if they can carry it, will be a tremendous load upon their shoulders.

I do not agree with the resolution because I do not think a committee of parliament can be set up to handle the matter properly. I believe there should be plenty of discussion, and each side of the question should be set forth in debate. Sooner or later some government will endeavour to arrange matters so that the provinces will get a proper portion of the total revenue collected to enable them to carry out the business the fathers of confederation entrusted to them.

Hon. ERNEST LAPOINTE (Minister of Justice): Mr. Speaker, the hon. gentleman (Mr. Coldwell) who introduced the resolution spoke, as he always does, with vigour, and followed a well prepared argument. I was hoping he would give some reason which would justify the creation of a committee of the kind suggested by him.

May I review what has been done in the matter in recent years. As to the usefulness and even the necessity, under present circumstances, of amendments to the British North America Act, I think we must all agree, but I fail to see where the procedure suggested by the hon. member will be useful. Indeed I am afraid it would hurt rather than help the

end he has in mind. In 1935, on motion of the hon. member for Winnipeg North Centre (Mr. Woodsworth) the house adopted a resolution whereby it set up a select committee consisting of Messrs. Cowan, Guthrie, Turnbull, Ernst, Gagnon, Lapointe, Mackenzie (Vancouver Centre), Ralston, and Woodsworth—

—to study and report on the best method by which the British North America Act may be amended, so that while safeguarding the existing rights of racial and religious minorities and legitimate provincial claims to autonomy, the dominion government may be given adequate power to deal effectively with urgent economic problems which are essentially national in their scope.

Although the language of the present resolution is not quite the same, I believe the meaning is absolutely the same as the one I have set out. The committee in 1935 was appointed for the very same purpose. It sat practically all session and in the course of its proceedings heard various legal experts and professors. In order to impress the house with the fact that the committee did its work in the best possible manner, may I point out only a few of the names connected with its work. They were W. S. Edwards, K.C., Deputy Minister of Justice; Doctor O. D. Skelton, Under-Secretary of State for External Affairs; M. Ollivier, K.C., Joint Law Clerk of the House of Commons; Doctor W. P. M. Kennedy, Professor of Law, University of Toronto; Doctor F. R. Scott, Professor of Law, McGill University; Doctor Norman McLeod Rogers, Professor of Political Science, Queen's University, and Doctor Arthur Beauchesne, K.C., C.M.G., LL.D., Clerk of the House of Commons.

After discussing the matter in detail the committee adopted the following resolution:

The committee recognizes the urgent necessity for prompt consideration of amendments to the British North America Act with reference to a redistribution of legislative power and to clarify the field of taxation.

In view of that, surely we do not need to set up another committee to make the same finding. The report continues:

It is further of opinion that the conference hereafter proposed should carefully consider the adoption of a recognized yet flexible method of amendment.

In view of the fact that the several provinces did not feel it advisable to give the committee the benefit of their views with respect to the method of procedure to be followed in amending the constitution, the committee is of the opinion that before any decision upon the subject matter of the resolution is finally made, that the opinions of the provinces should be obtained otherwise if at all possible and for that reason recommends that a dominion-provincial conference be held as early as possible in the present year to study the subject matter of the resolution. The proposed conference should have ample time in which to study every phase of the question.

In view of the above recommendation the committee expressly refrains from recommending any form of procedure for amendment so as to leave the proposed conference entirely free in its study of the question, except that the committee is definitely of the opinion that minority rights agreed upon and granted under the provisions of the British North America Act should not be interfered with.

That was the work of the committee of 1935. In accordance with its recommendation a conference with the provinces was summoned in November and December of 1935, upon which occasion a subcommittee dealt with constitutional questions. That constitutional subconference had an agenda containing the following items:

1. Revision of the British North America Act.
2. Agreement on future action with reference to social legislation.

After the subconference had completed its work it adopted a resolution, which was ratified by the full conference, as follows:

This conference, in the interests of the dominion and of the provinces, is of the opinion:

(a) That amendments to the British North America Act are now and subsequently may be necessary and imperative.

(b) That, as in the case of all the other self-governing dominions, Canada should have the power to amend the Canadian constitution provided a method of procedure therefor satisfactory to the dominion parliament and the provincial legislatures be devised.

(c) That the Minister of Justice convene at an early date a meeting of appropriate officials of the dominion and of the provinces to prepare a draft of such method of procedure to be submitted to a subsequent conference.

(d) That a conference be held at an early date after such draft has been prepared to consider such a method of procedure.

This committee of experts, composed of officials of the dominion and of the provinces, was called for the purpose of doing the work assigned to it by the conference. These officials, representing most of the provinces, spent part of the session of 1936 working in Ottawa with the dominion officials. A tremendous amount of work was done; drafts were prepared and agreement was reached on many important matters which had been debated previously and in connection with which some difference existed. There are still some matters upon which agreement has not been reached. I may say that the fact that general elections have taken place in certain provinces during the summer and fall —this applies particularly to one province— may be the reason why the work of this

committee has not been concluded. May I suggest with all due deference to my hon. friend that the work he proposes should be done is of a delicate nature. It should be entrusted to a committee of legal experts rather than to a committee of members of the House of Commons. What can this committee do in addition to what was done in 1935? I have not heard one good reason advanced by my hon. friend in support of his resolution. He suggests that this committee would devise ways and means by which the will of the people, as represented in the House of Commons, would prevail. I believe that would be the one way to bring about greater friction with the provinces at a time when it is necessary to have agreement. We would have a committee composed of members of this house asserting that we must have this or we must have that, when in fact there are other parties who have something to say and something to do with this matter.

My hon. friend says that we have the Statute of Westminster which gives us more power and more rights. That may be so, but the provinces have exactly the same powers, the same rights and the same jurisdiction which they had prior to the passing of the Statute of Westminster. That is all reserved to them in the Statute of Westminster, and I do not think it could have gone through without those reservations. Until there has been a very great change in that respect, I cannot see how the Statute of Westminster would provide a good reason for the creation of a committee of this kind. While the Statute of Westminster may have changed the relations between the Dominion of Canada and the imperial parliament, it has not changed one iota the relations between the Dominion of Canada and the provinces of the confederation.

My hon. friend has said that this committee would define the respective powers of the dominion and the provinces. I have all the respect possible for the qualifications of the members of this proposed committee, but I am afraid that we must have more confidence in the decisions of the privy council and the Supreme Court of Canada. What could such a committee do except to read these decisions? It could not define powers and jurisdiction other than as they exist and as they have been defined by the courts. As I have stated in other circumstances, the fact of saying that we have jurisdiction does not give it. The assumption of powers which we do not have, does not give those powers to us. It will only make for greater difficulty and not for the settlement of those questions, the settlement of which we all have so much at heart. I am afraid that instead of helping toward an agreement, this method would be more of an obstacle.

Those who sat on the committee in 1935—I think the hon. member for Winnipeg North Centre will agree to this—will agree with me when I say that provinces resented the fact that this committee was sitting. When the committee decided to summon the attorneys general and other officials of the provinces to present their views before it, they answered—and I think they answered properly—that they would deal as between government and government. They did not think the provinces, which were sovereign within their sphere, should be called upon to appear before a committee of the House of Commons. As I say, I think the provinces were right in making this answer.

I believe they would take the same position to-day. They would resent the fact that a committee of the House of Commons had started on the work of revising the constitution. As I have said, much more work will have to be done by way of negotiation and communication with the provinces. I think we are all in agreement as to the necessity of some amendment being made. I hope this will be done, but I repeat that it can be done only by securing the agreement of the provinces and not by asserting that we in the House of Commons can change the constitution of Canada by ourselves.

Canada is a confederation. My hon. friend referred to the greater ease of operation of unitary governments. No doubt he is right about that, but our constitutional situation is the result of conditions which prevail in Canada. Unless those powers had been left to the provinces they would never have agreed to come into confederation, and let me repeat again what I have said on a similar motion. The dominion is the child of the provinces; it is not their father. The provinces were in existence, had their powers, had their jurisdiction; they agreed to depart from a certain portion of their powers provided they were left with jurisdiction in other spheres, and they would never have come in and formed this Canada as it is if there had not been agreement at the conference which took place and which resulted in the British North America Act, a statute which was passed in England, that those provincial powers should remain within the sphere of authority of the provinces.

I repeat that what remains to be done is indeed very, very delicate work, and I do not see, with all deference to my hon. friend, that the committee which he suggests would in any way help the solution of the problem which we want settled.

Mr. R. A. PELLETIER (Peace River): Mr. Speaker, in speaking to this motion may I at the outset lay down two rules which must be fully grasped and appreciated if the remarks that are to follow are to convey clearly and concisely the necessity of carrying out the request made in this resolution.

The first rule is this: The vitality of national life, being dependent upon the harmony of its component parts, is capable of resisting temporal erosion in proportion to the degree in which harmony exists.

The second rule is: The deterioration of a political entity, subject to the diversity of its constituent elements, is slow or rapid in proportion to the fractional facets of its local problems.

With these thoughts in mind I had placed on the order paper a resolution which calls for the establishment of a commission to investigate the circumstances and problems of western Canada. I firmly believe that the resolution now before us is out of place, because before we can be in a position to amend the British North America Act, we must first find out what the problems demanding solution are, and this cannot be done until the problems affecting various parts of the country are studied. In my resolution I suggest a commission to investigate conditions in western Canada simply because I feel that before we attempt to amend the British North America Act, we should know what is the trouble with us. Therefore, in speaking to the resolution before us, I shall take up particularly western Canadian problems because there is a possibility that my resolution on the order paper may not be reached this session.

On March 29, 1867, the British North America Act received royal assent, and it became operative by royal proclamation on July 1, 1867. The purpose of this act, we must assume, was first of all to benefit all parts of the British North American colonies through legislation passed by the central government and designed to increase commerce. In the debates of the house in 1879, at page 429, we find Sir Leonard Tilley making the following statement:

> The time has arrived, I think, when it will become our duty to decide whether the thousands of men throughout the length and breadth of this country who are unemployed, shall seek employment in another country, or shall find it in this dominion; the time has arrived when we are to decide whether we will be simply hewers of wood and drawers of water; whether we will be simply agriculturists raising wheat, and lumbermen producing more lumber than we can use or Great Britain and the United States will take from us at remunerative prices; whether we will confine our attention to the fisheries and certain other small industries, and cease to be what we have been, and not rise to be what I believe we are destined to be under wise and judicious legislation, or whether we will inaugurate a policy that will, by its provisions, say to the industries of the country, we will give you sufficient protection; we will give you a market for what you can produce; we will say that, while our neighbours build up a Chinese wall, we will impose a reasonable duty on their products coming into this country; at all events, we will maintain for our agricultural and other productions largely, the market of our own dominion.

Second, as is shown by the records of that time, on the insistence of the British Colonial Office there was an attempt to meet the policy of defence of the imperial government. With this second reason we are not for the moment greatly concerned. In any event the western provinces are now within the scope of confederation, and their entry must necessarily have been harmonious with the hope expressed by Sir Leonard Tilley.

In 1856 the provinces of Manitoba, Saskatchewan and Alberta, comprising an area of 2,000,000 square miles, contained 6,691 persons in addition to the Indians. Less than 9,000 acres of land were under cultivation. Fifteen years later, in the same area the population had increased to 73,228, and ten years later to 122,400, with 279,249 acres under cultivation.

The policy of the Canadian government at that time was that expansion of settlement westward was logical and desirable, and that the agricultural possibilities of the country were too great to admit of its being reserved any longer for the fur trade. The settlement of the western Canadian plains was a clean-cut experiment in agricultural colonization. Thus we find that between 1897 and 1905, under the Hon. Clifford Sifton, the west developed at an amazing rate. Our immigration propaganda in the United States, Great Britain and Europe was most vigorous. For example, the report of immigration for 1904, part 2, at page 16, shows that no less than 2,703,646 pamphlets were sent out. These were issued not in the English language alone, but in French, German, Dutch, Norwegian and Swedish. The idea was to attract immigrants and to develop western Canada as rapidly as possible. It is plainly seen to-day in what manner this has affected the problems

of the west. Settlers were encouraged to go west, but not with any particular guidance. Settlements sprung up rapidly. The inducements were great, and thousands trekked to western Canada and settled where they desired.

During the sixty years in which the Canadian northwest has been part of Canada its population has increased from 73,000 to 2,354,000, and the improved acres of land have increased from 279,000 in 1881 to 59,854,000 in 1931, out of 109,778,000 acres of occupied land. While this increase was fostered wholly by the federal government, no thought was given at the time to the problems which eventually must be faced by the provincial governments in regard to roads. Secluded areas had to be linked. Hundreds of miles of roads had to be built, and to-day a large part of the obligations of the western provinces may be traced directly to capital outlays for road construction.

It is perhaps unusual to ask a federal government to realize how it could in any measure be responsible for capital outlays made by autonomous and responsible legislative assemblies, but one must remember that the spirit of expansion and development was bred into western settlers' minds by federal immigration policies, and those settlers, of course, insisted and still insist upon more and more roads. Thus it would seem to me that out of the experiences of the past a better method of settlement could be worked out. For example, certain areas of land now sparsely settled could be considered by both provincial and federal governments as "prospective settlement districts." These districts should be permitted to be settled only under a definite settlement scheme. The area could be thoroughly surveyed and settlement permitted only at certain points agreed upon by both provincial and federal governments. The type of settlers could be chosen. Roads could be built only where necessary.

The northern portions of the western provinces all contain land, which some day will be settled. Even to-day settlers are being taken out of dried out areas and dumped somewhere in the northern bush, in places almost impossible of access. Of course these settlers want roads; they are entitled to them and the roads should be built. However, this entails hundreds of miles of roads for a small population. This expense could be lessened without suffering to anyone, always providing, however, that foresight and judgment are used.

[Mr. Pelletier.]

The methods of colonization have resulted in bringing about unbearable financial difficulties to the western provinces, and if a commission is set up, this grievance can be thoroughly investigated. I feel sure that a remedy would be found.

Another source of ill feeling in western Canada is the present structure of freight rates. It is true that, owing to substantially low rates on grain, grain-growing in western Canada has been helped, but to-day the situation is not the same. In days gone by, many people settled in the west simply with the idea of attempting to make a fortune raising wheat; they were wheat miners. After making a fortune, it was their intention to return to eastern Canada to live. This is no longer the case. The people of the west have come to think of western Canada as home and as a result have become engaged to an increasing degree in producing other commodities than wheat alone.

When it is generally admitted that substantially low rates on grain had a beneficial effect, surely similar rates applied to western production would work the same way and would be beneficial in more than one respect. They would encourage mixed farming which, in the final analysis, is the best and safest method of assuring a degree of security to western farmers. Mixed farming means many things. It promotes protection of farm land by necessitating crop rotation, more extensive growth of fodder crops, such as grasses, sweet clover, etcetera. It permits certain sections of land retaining wooded areas, a protection against drought. It supplies a ready market for grain and an income of some sort.

Furthermore, the west knows that competitive factors, both on the Pacific coast and in eastern Canada, have compelled basically lower freight rates in those two sections of the country, but in the case of the prairie provinces no comparative basic change of freight rates has taken place for the last twenty-two or twenty-three years. Also eastern Canada, being older than the west, naturally has better roads. This fact has encouraged transportation by truck and bus to a degree sufficient to compel revision of railway rates in many instances.

Mr. SPEAKER: Order. I do not like to interrupt an hon. member, particularly on the discussion of a motion, but I must ask hon. members to refrain from going too far. They have already discussed the question of an amendment of the British North America Act, and they have discussed also the question of specific amendments required to the

British North America Act to enable parliament to enact legislation "for the better social conditions of the Canadian people." I should not like hon. members, upon this particular motion, to wander over all the field of amendments.

Mr. PELLETIER: Mr. Speaker, the reason I am mentioning these matters is that before we can intelligently discuss amendments to the British North America Act, certain problems must be pointed out and certain remedies proposed for them. It is impossible to amend the British North America Act unless we know what it is about, and I believe these matters are in line with the resolution.

I should like to quote the freight on a few items, so as to give a clear idea of what I have in mind. Let us take dry goods, for example. The distance from Montreal to Calgary is 2,324 miles. The freight for 100 pounds of dry goods in boxes is 19·04 cents per 100 pounds per 100 miles. On exactly the same dry goods in the same packages, shipped from Vancouver to Calgary, a distance of 641·5 miles, the rate per 100 pounds per 100 miles is 34·10 cents. The distance between Montreal and Winnipeg is 1,410·3 miles and the rate for dry goods in boxes per 100 pounds is $2.67½. The distance between Vancouver and Winnipeg is 1,473·02 miles, or 63 miles further than the distance between Montreal and Winnipeg, but the rate is $3.72 per 100 pounds. The cost for those extra 63 miles is $1.04½ per 100 pounds.

These rates are supplied to me from an official source and were in effect on January 20 of this year. I have not attempted to compile a large set of figures, embodying various commodities, but the principle which governs freight rates in this particular instance also governs freight rates in others, and therefore, comparatively speaking, the same condition would be found to exist.

In any event, sixty per cent of the total freight revenue of the Canadian Pacific railway is derived from western Canada. These figures were quoted by President Beatty at the last meeting of the shareholders of the Canadian Pacific Railway Company. If for no other reason than that western Canada provides the most freight revenue, it is entitled to a hearing, and that reason alone would be sufficient. I am not, by any stretch of the imagination, touching upon all the various expressions of feeling heard in western Canada regarding freight rates. A commission would gather a wealth of material and give westerners an opportunity of "getting things off their chests."

I am also of opinion that the effect of Canada's tariff structure causes one of the most serious wrongs on western Canada. The west supplies the bulk of Canada's exports in the form of grain, cattle and lumber. Canada's industrial plant is in the east and of course industry requires some protection and obtains this protection but only at the expense of western Canada. Other nations are quick to retaliate by shutting out Canadian wheat, cattle and lumber.

The natural resources of the east, their earlier development than has been the case in the west, the water powers and the tariff have naturally concentrated manufacturing in Ontario and Quebec. Industrial development in the east has been a benefit to Canada as a whole. While one cannot disagree with the principle of the tariff, one must recognize the fundamental principle under confederation of the equal right of all provinces; this, of course, can be worked out only under a general "give and take". In doing this and considering the tariff one must take into account the centres of manufacture in Ontario and Quebec; the long freight hauls to markets in the west; the barrier of the Rocky mountains, and the beneficial effects the west, through the construction and operation of the Panama canal, may have to trade with other countries.

Let us see what has been the outgrowth of the tariff policy in Canada. The only complete study of this matter was done by the present Minister of Labour (Mr. Rogers), and published in the report, "A Submission on Dominion-Provincial Relations and the Fiscal Disabilities of Nova Scotia within the Confederation," Province of Nova Scotia Royal Commission Economic Inquiry. In this report, on page 99, is set out the following, in part:

The enhancement of prices due to the tariff (1931)

Manitoba	$29,185,740
Saskatchewan	29,228,285
Alberta	27,909,396
British Columbia	37,737,247
Total	$124,060,668

The position of the various provinces in relation to gains and losses suffered by the tariff is set out in the following table which gives for each province separately the per capita tariff subsidies and the per capita tariff costs:

Province	Tariff subsidy per capita	Tariff Costs per capita	Net gain per capita	Net loss per capita
Prince Edward Island	$ 5 32	$23 20	....	$17 88
Nova Scotia	18 50	30 78	....	12 28
New Brunswick	19 91	31 58	....	11 67
Quebec	46 23	35 20	$11 03	....
Ontario	64 32	39 17	15 15	....
Manitoba	28 44	41 69	....	13 25
Saskatchewan	3 55	31 71	....	28 16
Alberta	11 22	38 15	....	26 93
British Columbia	32 03	54 36	....	22 33

The Minister of Labour states at pages 100 and 101:

It may be contended that the value of the computation of the provincial incidence of the tariff is vitiated by the fact that there is no reason to believe that 26 per cent is an accurate measure of the effect of the tariff in enhancing prices of protected manufactures. It has already been acknowledged that existing statistical information does not permit an exact calculation of the effect of the tariff on prices. The figure of 26 per cent was taken because it was the flat rate of the average ad valorem duties on dutiable imports in 1931. But suppose the measurement of average enhancement of prices were 20 per cent instead of 26 per cent. The only difference would be in the absolute amounts and not in the relative distribution between provinces. The relative disparity between Ontario and Quebec as opposed to the other provinces would still remain. It would still be true that Ontario and Quebec would show the only surplus of manufacturers' tariff subsidies over consumers' tariff costs, and that the other provinces would show uniformly a substantial deficit of consumers' tariff costs as compared with manufacturers' tariff subsidies.

He goes on further to show the difficulties which the Canadian tariff problem presents as a whole to western Canada and how much the other provinces, apart from Quebec and Ontario, have suffered in the past from the Canadian tariff policy.

I have this suggestion to offer to the government, and I believe it is one that is really worthy of consideration in view of the present situation especially in western Canada. If I mistake not, the Prime Minister (Mr. Mackenzie King) has suggested that this government and the British government have agreed in principle to a trade agreement. It seems to me that a commission for western Canada could not possibly come at a better time than just now, for it would serve a very useful purpose in supplying information to this government when negotiating a trade agreement with the British government. I believe further that the question of tariffs is one which calls for a full investigation, and therefore offer this suggestion. There is such a thing as a regional tariff. In my opinion western Canada has suffered long and suffered a great deal from the Canadian tariff policy, and I suggest that a commission could very well look into the question of regional tariffs, fully investigating that method of handling the tariff question in Canada to see whether better conditions than prevail at present could not be brought about in the west.

In the British North America Act it is provided that certain sums of money known as subsidies shall be paid by the federal government to the various provinces. In view of the fact that the government has at the moment someone—Mr. D. A. Skelton, I believe—investigating the whole structure of subsidies and grants in Manitoba and Saskatchewan, it would be unwise for me to say anything about subsidies at this time. I understand, from reports I have read, that it is the intention of the government to act upon the report which will be submitted by Mr. Skelton, and there is a possibility that grants to the western provinces may be increased when that report is made. I would content myself now, therefore, with simply saying that the question of subsidies is one which deserves and should receive the attention of a commission that should be set up to look into the matter.

The other day the leader of the opposition (Mr. Bennett) suggested that we should have a constitutional conference, and in support of this contention he said:

No one can fail to realize, for instance, that there is a sharp conflict at the present moment between legislatures and the parliament of Canada.

Upon those words he proceeded to develop his idea. I concur in the view expressed by the mover of this resolution that that was anticipating an argument to come up in this house. I agree that to introduce party politics into such an argument would immediately cheapen the proposal and destroy its value, but I fail to realize the weight of the argument unless it embodies some inkling of the cause of that sharp conflict. It is said that the question of jurisdiction must one day be

determined; in other words, the interpretation of our constitution has become difficult. Why is this? In my opinion it is because provincial legislatures have been pushed to certain actions in consequence of the persistent failure of federal governments to better conditions from the point of view of the man in the street. Thousands of people have suffered during recent years and, pushed beyond endurance, have sought relief from other than federal sources.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. PELLETIER: When the house rose at six o'clock, Mr. Speaker, I was attempting to show that this resolution really does not cover what in my opinion is necessary in order to settle some of our difficulties as far as the constitution of Canada is concerned. Continuing, I would say that owing to the variety of interests in our dominion, in both the political and the economic spheres, these expressions of a desire for betterment have not been identical in all provinces. People in some provinces think assistance would be forthcoming if a certain thing were done. People in other provinces, facing the same problem, because of local factors believe that the difficulty can be best solved in some other manner, thus bringing about that ever present conflict between the provincial legislatures and this parliament in the exercise of their constitutional jurisdictions. Thus it is most difficult to find any point of mutual agreement that would form a basis for a conference such as has been suggested by my hon. friend.

This was definitely proved when the Prime Minister read from the report of the 1935 committee on the British North America Act, before which Doctor Beauchesne recommended a convention to draft a new constitution. In that report, as the Prime Minister pointed out, the views of the various provinces are brought to the surface, and they indicate utter lack of mutual agreement with regard to any one suggested change. In almost every instance a desire for change was expressed, but nowhere do we find agreement as to what changes should be made. In Canada to-day we find a restlessness which is becoming alarming. Discontent, discord, lack of stability and uneasiness. prevail. No one knows what may happen next. There is nothing solid. That is how people feel, but in my opinion we have something solid; we have our constitution.

I come back to a rule which I laid down in my opening remarks. That is, the vitality of national life, being dependent upon the harmony of its component parts, is capable of resisting temporal erosion in proportion to the degree in which harmony exists. At the moment harmony does not exist. At the moment in the west people live in the shadow of wrongs, either fancied or real. They fancy that eastern Canada does not understand them. On the other hand the people of eastern Canada feel that the west is a burden; they picture western Canadians as individuals who are forever running to the federal treasury for loans. They fancy that the east pays the bills while the west lives in irresponsible affluence. The west resents this attitude. It knows that factors beyond its control took away its purchasing power by immensely reducing its income from the growing of grain. It knows how it has suffered through drought, hot winds, grasshoppers, hail and frost. It feels its wounds, not because they hurt but because they bring no sympathy. The west is part of Canada; it is the child of the east, and now that adolescent child is abandoned to lick its salty sores and whimper alone. The guns of Europe might rumble once more. Perhaps that would be important to Canada, but of greater importance still is that slow-burning fire of distress which leads to hate smouldering in this Canadian family. The child of the east cries out; it extends its hands in earnest desire for friendly cooperation and justice. Let the east awaken and reply in kind and encourage us so that we in whom Canadians have placed their confidence may fail not. Let us, within the framework of our constitution, our solid constitution, offer that opportunity of expression which must result in dispelling distrust and bring back once more the harmony which is so essential to the survival of this nation.

Let us give the west a hearing. In my opinion, Mr. Speaker, certain things that have happened in western Canada have resulted from the conditions I have mentioned to-day. It seems to me that if we attempt to remedy the situation by amending the British North America Act we must know first of all what it is we are seeking to do and how to go about securing the desired result. It seems to me that a commission or a committee of this house, empowered to look into these problems in Canada, could not

possibly arrive at sound conclusions or discover the correct answers unless first it knew exactly what it was looking for. We do not need any further proof of that than what recently happened in western Canada, as far as the expression of public opinion is concerned. As I have said already, we hear all sorts of expressions of opinion, and I believe many of them originate simply through the failure of the federal government to give effect to laws which are demanded by the man in the street. We find that he must have some medium of expression, and that medium has not been provided by the federal government. So he has turned his attention to the provincial legislatures and has forced them to enact laws some of which come into conflict or are said to come into conflict with our federal laws.

In conclusion, Mr. Speaker, I trust that the government will take into serious consideration the points I have brought out. Western Canada is an essential and a great part of Canada, and I believe that in its desire to maintain confederation, seeking cooperation and desiring assistance, it will receive that help and that cooperation which I know this parliament can give.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker, I should like to associate myself with my colleague the hon. member for Rosetown-Biggar (Mr. Coldwell) in urging the government to consider seriously the appointment of such a committee. I recall that I introduced a motion of this kind as far back as 1924, and again in 1931. Two years ago, in 1935, I brought forward another motion, a little different, a little more limited in scope, which was referred to a committee, to which the Minister of Justice (Mr. Lapointe) referred this afternoon. My motion read:

> That, in the opinion of this house, a special committee should be set up to study and report on the best method by which the British North America Act may be amended so that while safeguarding the existing rights of racial and religious minorities and legitimate provincial claims to autonomy, the dominion government may be given adequate power to deal effectively with urgent economic problems which are essentially national in scope.

In presenting that resolution I was careful to assure the house that there was no thought in my mind of interfering with any of the existing rights of the provinces, and I tried especially to safeguard the rights of racial and religious minorities.

The house received that resolution very favourably, and the committee, I think I may say, worked quite conscientiously in endeavouring to find some way by which we could amend our constitution. However, the committee failed lamentably, because of a lack of cooperation with the provinces, and I believe, behind that, because of the assumption that we must have the consent of all the provinces before we could take any action. So the committee brought in finally what I must confess was a milk and water sort of report, suggesting that this whole matter should be referred to a dominion-provincial conference.

The resolution that has been placed before us to-day is somewhat different. It suggests that a parliamentary committee should study and report upon the specific amendments which might be brought in to meet the outstanding needs of our country at this time. The committee which sat two years ago dealt with the method. This time we have approached the matter in a different way, urging that the committee at least might survey the field and suggest the particular changes needed to meet the urgent problems which face us to-day. I regret that the government has not seen its way to accede to our request, and to appoint such a committee. I regret even more, however, that the Minister of Justice, who spoke for the government, has offered no alternative.

I shall not attempt again to traverse the ground so well covered by my colleague from Rosetown-Biggar, but may I venture to call to the attention of the house, a house which since 1935 is partly new, several considerations I tried to emphasize in 1935. Why should we not have an amendment to our constitution? The then Prime Minister (Mr. Bennett), during the debate in the house on April 13, 1934, made this statement:

> Two answers could be given to that question; one is the political answer and the other is the legal answer. The legal answer is that if this parliament—and that means both houses—adopts a resolution embodying a petition to the sovereign for the enactment of legislation by the parliament at Westminster amending the British North America Act, under the Statute of Westminster such legislation would be enacted accordingly.

I believe there can be no question that that is a fair statement of the situation. It seemed to me that this afternoon the Minister of Justice rather receded from the position which was common two years ago in this chamber. It seemed to me that he was going back to the old idea that there exists a sort of treaty between the provinces and the dominion and that we have to live up to that treaty. I hope I do not misrepresent him, but as he spoke this afternoon that was the im-

pression I gathered. Again let me point out that as a matter of fact the British North America Act has actually been amended in various ways. It was once amended by the British parliament on the strength of a simple request by the Canadian government, without the proposal even coming before parliament. A great many people have the idea that the British North America Act is like the laws of the Medes and Persians, that it can never be changed. But we forget the very large number of amendments that have already been made in the act. Once a request which was made by the dominion parliament carried the formal endorsation of eight out of the nine provinces and was opposed by one province. On the other occasions the British parliament acted on the joint request of the Canadian House of Commons and the Senate. The precedents therefore suggest that the British parliament will enact any legislation to amend the British North America Act on the recommendation of the Canadian parliament.

If we are to wait until we have a dominion-provincial conference and until such conference unanimously adopts not only a method of amending the act but also the amendments which should be made, I am afraid we shall have to wait indefinitely.

Mr. LAPOINTE (Quebec East): Nobody has said that.

Mr. WOODSWORTH: No; I say that.

Mr. LAPOINTE (Quebec East): You do?

Mr. WOODSWORTH: Yes; I am afraid of that.

Mr. LAPOINTE (Quebec East): You do something, and then you refute it afterwards.

Mr. WOODSWORTH: Probably the minister does not understand what I say. I am giving my opinion, namely that if we have to wait until we call a dominion-provincial conference and some sort of unanimous—

Mr. LAPOINTE (Quebec East): "Some sort"?

Mr. WOODSWORTH: —yes, some sort of unanimous consent, not only to the methods by which amendments may be brought forward but also as to what particular amendments should be made, we may have to wait indefinitely.

Then there is another consideration we ought to keep in mind—the leader of the opposition (Mr. Bennett) called attention to it in an interjection to-day—that we must have the consent of the Senate. It is true that parliament consists of the House of Commons and the Senate, but I submit we cannot forever permit the Senate to thwart the will of the commons which presumably represents the great mass of the people of Canada.

Mr. LAPOINTE (Quebec East): Does my hon. friend think he can change that by creating a committee of the house?

Mr. WOODSWORTH: Oh, no; we do not suggest that. The minister is expecting the committee to do a great deal more than that for which the resolution calls. In emphasizing the point to which reference was made this afternoon I should like to quote no other than the leader of the opposition. In 1915, on the occasion of the Senate declining to agree to an address for an immediate change in representation in that chamber, he denounced the Senate. At page 2338 of Hansard of that year he referred to the upper house as an "irresponsible body which thwarted the will of democracy, as expressed by this House of Commons." Perhaps that is stronger language than I might use! However, all I want to say is that if the Senate attempts to block amendments which are generally desired, we shall have to find means of dealing with the Senate. That is all I need say at the moment, but I think it should be said.

Referring to a statement by my colleague the hon. member for Rosetown-Biggar, the Minister of Justice stated that the Statute of Westminster did not alter the relationships between the provinces and the dominion. I think we all agree with that. The hon. member for Rosetown-Biggar did not argue otherwise, but if I followed his argument it was this, that the parliament of Great Britain is sovereign. In Canada parliament has occupied a subordinate position. Under the Statute of Westminster Canada to-day is supposed to be as sovereign as the parliament of Great Britain. I think no one doubts that the parliament of Great Britain could alter the British North America Act, and conceivably could do so without an address from the two Canadian houses. It could make alterations in opposition to provincial representations. I do not assert that such action is likely, but I say the British North America Act is an imperial statute and can be altered by that imperial body. Since the passing of the Statute of Westminster the Canadian parliament ought to have an authority equal to that which exists in the imperial house. I believe that it was along these lines the hon. member was making his argument. If not, I take it as my own.

We cannot go on indefinitely under the arrangement that we must refer matters to some body other than our own. We have full authority here to deal with Canadian affairs. The thing that worried me this afternoon was not so much the suggestion of the minister that this matter could be dealt with better by some sort of commission—and I am getting a little tired of commissions composed largely of lawyers; I think we might very well get away from that kind of commission and have commissioners who represent a great many other interests in the dominion—and not so much that it could be dealt with by a dominion-provincial conference—that may be the best way to deal with it—but rather that the minister offers very little by way of an alternative to the existing situation. If he would give us a guarantee that the dominion-provincial conference will be called within six months and pledge his word that that conference will take action—

Mr. DUNNING: Oh, oh.

Mr. WOODSWORTH: The Minister of Finance (Mr. Dunning) laughs.

Mr. DUNNING: I have tried it and I know something of the difficulty.

Mr. WOODSWORTH: Some of us who have followed the reports of these conferences know something of the difficulties. The trouble is that this thing has gone on year after year and decade after decade until conditions have become almost desperate. We can get no assurance whatever from the government that prompt action will be taken.

Mr. DUNNING: How far is my hon. friend prepared to go in compromising with regard to his principles? That is always a point in connection with these conferences. I do not believe my hon. friend would compromise to any extent.

Mr. WOODSWORTH: I hope my hon. friend is correct in his estimate of me. I have tried to make that my rule. However, I think there are principles and principles. There are certain things which have been elevated to the position of principles, which are regarded by some people as being principles, but which have not universal application. It may be said that in this connection there are two principles at stake.

Mr. DUNNING: Judging by what the provinces say to us, there are many.

Mr. WOODSWORTH: Fundamentally the principles at stake are certain rights of the provinces, certain powers known as provincial autonomy, and, on the other hand, certain rights and powers of the dominion. It may be said that those two principles clash. That may be so, but my point is that we cannot let this situation go on forever, drift as it has done, without imperilling the whole of confederation.

Let me bring a further matter to the attention of the house. From my standpoint, the recent decisions of the judicial committee of the privy council were most unsatisfactory, if I may say so without getting into trouble with all the lawyers in this house. They are unsatisfactory from my standpoint because the privy council, sitting in England, cannot have the information and point of view that we have in Canada.

Mr. MACKENZIE (Vancouver): They agreed with the supreme court here.

Mr. WOODSWORTH: That is quite true. If we refused to send legal questions to the judicial committee of the privy council I think we would be a little bit more careful about the decisions given by the Supreme Court of Canada. If I might be permitted to say so, I think we would also be a little bit more careful as to the calibre of the judges we put in our supreme court. It would tend to throw greater responsibility upon our own institutions. I am not criticizing this or that or the other individual but I submit that as long as we remain in tutelage, as long as we look overseas for someone to tell us in the last analysis what must be done, we shall remain immature and all our decisions will be of a tentative nature. For one, I shall be very glad when we stand on our own two feet and recognize that we must work out our own problems right here in Canada.

I want to say one thing further in this connection. I belong to a province and I come from a section of this country which was not a party to the British North America Act. At the time that act was passed my people were all in eastern Canada and I had not been born, but as eastern Canada dealt with this matter it might be claimed that I must accept some responsibility. I come from Manitoba and I have lived most of my life in the west. We as a province, or as provinces, were not a party to the British North America Act and you could not possibly put over such an act to-day and have the west a party to it. I do not like threats, but I want to remind this house of the sporadic movements which have sprung up in the west from time to time looking in the direction of secession. These movements will spread unless action is taken in the not distant future. The west has reached a stage where it simply cannot carry on. One province has defaulted and in

all probability, unless some very special arrangements are made, it will not be very long before other western provinces default.

We find that there are certain ideals which are common to all four western provinces, but which apparently are not held by some of the provinces in the east. We want it understood that we cannot go on indefinitely suffering under certain disabilities which could be altered if we operated under another constitution. If the fathers of confederation whom we praise so highly had sense enough to get together and work out a constitution which no doubt was more or less fitted for their day, I urge that we are not worthy sons of theirs unless we in our day can get together and work out a constitution, different perhaps from the old one, which will serve the needs of our day.

Mr. CAHAN: What changes would the hon. member suggest?

Mr. WOODSWORTH: The hon. member for St. Lawrence-St. George (Mr. Cahan) asks me what changes we would suggest. That is the very thing for which we want this committee appointed.

Mr. CAHAN: We want to hear from the hon. member.

Mr. WOODSWORTH: The hon. member for Rosetown-Biggar (Mr Coldwell) spent some considerable time outlining these changes and I do not propose to cover his speech to-night. The hon. member for St. Lawrence-St. George can read it to-morrow in Hansard. Certain very definite changes are outlined in the resolution now before us and they deal largely with the social problems that face us.

Mr. MacINNIS: The changes advocated last week by his leader.

Mr. WOODSWORTH: My hon. friend behind me says that they are the changes advocated by the leader of the party of the hon. member for St. Lawrence-St. George. Let me read the resolution again:

—in view of the urgent necessity of effective action for the improvement of the social and economic conditions of the people of Canada—

Whether such action is needed in the community represented by the hon. member for St. Lawrence-St. George, I am not prepared to say.

Mr. CAHAN: Explain; social and economic conditions mean nothing definite.

Mr. WOODSWORTH: They do mean something to me. Let me read this:

—in view of the conditions of social and other legislation passed by parliament during the tenure of office of the late government—

Does that mean nothing to my hon. friend? He was a member of that government. He knows how most of that legislation has gone by the board.

Mr. ROGERS: Did he approve and does he approve the method adopted by the late administration in acquiring that measure of jurisdiction which formerly had always been regarded as belonging to the provinces?

Mr. WOODSWORTH: I do not know that I am required to answer whether or not I approved that legislation, especially in view of the fact that it has been thrown out by the judicial committee of the privy council as unconstitutional. But I do say that the things which were attempted by the previous government by way of certain measures to provide for unemployment insurance, the eight hour day and all the rest of it, were in my judgment highly desirable.

Mr. ROGERS: What of the means?

Mr. WOODSWORTH: I am asking that means be devised. The Minister of Labour gave evidence before the committee of a year ago and I think he is very well acquainted with certain means that might be attempted. We are not urging that this particular measure should be the only one before the house. As the hon. member for Rosetown-Biggar suggested, if this is not satisfactory, we shall be very glad to support any other measure which might be considered more satisfactory. But we want some measure.

A few minutes ago, I referred to secession, this not by way of a threat because I have always opposed secession movements on the ground that they were an attempted political solution for some of our great economic problems. But someone should point out that some sections of our country will be driven ultimately to attempt some such solution. We cannot go on in this way very much longer. We are urging that before things become too desperate, the situation in Canada should be saved.

I read several editorials following the decision of the judicial committee of the privy council. I want to read the opening paragraph of an editorial in the Montreal Gazette of January 30, 1937:

There is ground for a great deal of satisfaction on the part of Canadian business, as well as on the part of all minorities in this country, in the fact that the British North America Act has survived the efforts of a dominion parliament to shoot holes through it.

That was the opening paragraph, and I think it is wonderfully revealing. All minorities should rejoice in this, it says. Now my

own position with regard to minorities has been stated again and again. It was stated in that resolution which I brought into the house two years ago. Let me read it:

> That, in the opinion of this house, a special committee should be set up to study and report on the best method by which the British North America Act may be amended so that while safeguarding the existing rights of racial and religious minorities and legitimate provincial claims to autonomy, the dominion government may be given adequate power to deal effectively with urgent economic problems which are essentially national in scope.

I have every respect for, and I want this country to safeguard carefully the racial and religious rights of minorities, but on the other hand I do not believe that a minority, even a racial or religious minority, must be allowed to hold up progress in this country. I should like some time to talk on the rights of majorities.

Mr. BRADETTE: Page Mr. Rowe.

Mr. WOODSWORTH: No; I am no religious fanatic, and anybody who knows me recognizes that I am no fanatic so far as language or anything of that kind is concerned, but I do say this, that the majorities in this dominion have certain rights and we must not forever be held down by the ideals of one or two or three or five particular sections of the community. In reality I am not so much concerned with racial and religious minorities as I am with some other kinds of minorities. I am thinking of financial minorities, and I am thinking of some industrialists in this country, small groups of people who for their own ends ask that progress be delayed. It is from this standpoint that I read this opening paragraph in the Gazette:

> There is ground for a great deal of satisfaction on the part of Canadian business, as well as on the part of all minorities—

The Gazette is published in Montreal, and it is perhaps a good political move to stir up a little bit of racial antagonism in that way. It may catch the people of Montreal or the people of Quebec; it may catch some here, there or yonder; I do not know. I repeat, I stand for the rights of minorities, racial or religious. But when the Gazette says that this is a matter for great satisfaction to Canadian business, I cannot but think of resolutions that have been sent to me during the fifteen years I have been in this house, as well as editorials I have read, in which Canadian business, that is organized big business, has done its best to thwart eight hour day legislation, to thwart the minimum wage legislation, to thwart old age pensions, to thwart unemployment insurance. Canadian business has been again and again opposed to these things. On occasion they would say: We are British. When we have pointed out that in Great Britain they have social legislation of this kind, and have had it for years, "Oh well," they reply, "that is different." They back away from their patriotism then, and a cheap patriotism it is, too, when you put it up to them. For years they came to our committees and said, "We cannot do anything because we have to compete with the great republic to the south of us. They have no eight-hour day in many of the states, no unemployment insurance, no sickness insurance; so we cannot do anything at the present time in Canada." Now a large measure of social security legislation has been enacted in the United States, and yet here in Canada we have Canadian workers, in the steel plants, working, I am credibly informed, thirteen hours at night when we have vast numbers of unemployed. We cannot do anything to alter the situation because the British North America Act stands in the way. We have five thousand families unemployed in my city, and have had them for years. They are growing old in receiving relief. These people should have had unemployment insurance years ago, but when we propose it we are told: "We cannot do anything—the British North America Act!" And Canadian business rejoices because the British North America Act blocks any legislation of the kind. These are the matters to which we ought to pay some attention. But the Gazette says:

> There is ground for a great deal of satisfaction on the part of Canadian business, as well as on the part of all minorities in this country, in the fact that the British North America Act has survived the efforts of a dominion parliament to shoot holes through it.

Was there anything in the legislation proposed by the late government two years ago, in regard to the eight-hour day, unemployment insurance and all the rest of it, that took away the rights of minorities? Not that I know of. We all agree that these things should be done, and the British North America Act is just a herring across the trail. What we really have to face is a certain class of people in this country who will stand behind this old document seventy years of age and prevent us from progressing on to better things.

This government should be given a chance to determine its action. I did not expect any action last year, because it was the first year of a new government in power, but when we come this year and urge that some-

thing be done, about all that we get from the Minister of Justice (Mr. Lapointe), representing the government, is simply an enumeration of a number of difficulties in the way.

Mr. LAPOINTE (Quebec East): No, no.

Mr. WOODSWORTH: And he says we cannot do anything about it.

Mr. LAPOINTE (Quebec East): I never said that. I said you could not do anything by the appointment of a committee. That is not the way. I said that this must be done by communicating with the provinces and negotiating to try to come to an agreement—not your committee way.

Mr. WOODSWORTH: We have been communicating and negotiating with the provinces for years past, and now something in the way of action is demanded.

Mr. LAPOINTE (Quebec East): The hon. member has just said he did not expect anything last year, but he expects something this year. I do, too, but not by the appointment of a committee.

Mr. WOODSWORTH: Then I think the least the government can do is to give us the assurance that at the very earliest date such a conference as the minister has suggested will be called, and that ways and means will be found at that conference of bringing about the desired reforms. When I said that before, the Minister of Finance (Mr. Dunning) rather laughed at it. I want to say that "where there's a will there's a way," and I am quite confident that if the Minsiter of Finance, who after all knows the west very well, or he did a few years ago—I do not know whether he has forgotten the pit from which he was digged—

Mr. DUNNING: I shall not take second place to the hon. member in my knowledge of the west right now.

Mr. WOODSWORTH: All right. If he remembers anything of the west, then I say it is possible for him and the Minister of Justice and others to work out schemes by which these practical reforms will be brought about. I am not a lawyer and I am getting tired of this talk of constitutional questions and quibbling of all kinds. What I want, and all that my friend who moved this resolution (Mr. Coldwell) wants, is to discover some means of solving the practical problems that so seriously menace the welfare of this country.

Hon. NORMAN McL. ROGERS (Minister of Labour): I wish to speak briefly to this resolution and in support of the objections to its adoption which were expressed so clearly this afternoon by my colleague the Minister of Justice (Mr. Lapointe). The mover of the resolution in his concluding remarks made the novel and refreshing suggestion that he would be quite prepared to withdraw it if he could be convinced that there was some better way of dealing with a constitutional amendment at this time. Perhaps he is already convinced that there is a better way; at all events, I am going to take him at his word, and shall try to indicate the reasons why in my opinion this resolution is inopportune and unacceptable at this time.

My first objection to the resolution is this: No investigation by a special committee of this house and no resolution of this house can promote or expedite the amendment of the British North America Act. We may declare here that the dominion parliament ought to have jurisdiction over hours and wages and unemployment insurance, but this declaration would not of itself bring us any closer to the realization of that objective. The question of how the proposed amendments would be given effect would still remain unsettled.

Mr. DUNNING: That is the point.

Mr. ROGERS: That question, as was pointed out by the Minister of Justice this afternoon, can be determined only by consultation and cooperation between the dominion and the provinces, and it has already been brought to the attention of this house that such consultation and such cooperation are now in progress.

The truth of the matter is—and I am quite sure it is known to most members of this house—that we do not possess in Canada at this time any recognized procedure for the amendment of our own constitution. So far as I am aware the Canadian constitution is the only federal constitution the world over which suffers from this particular infirmity. It is perhaps only of antiquarian interest to seek to determine why it was that there was this great omission in the original terms of the British North America Act. There are some who suggest that the omission was simply a matter of inadvertence. There are others who contend that the omission was deliberate. I am bound to say that there is a body of evidence to support each point of view. But that particular question does not concern us now. We are confronted with this situation, that the British North America Act does not

of itself contain any procedure for its own amendment. Any recommendations that might be made by a select committee of this house would be nothing more than recommendations. As I suggested a moment ago, they would not of themselves advance the amendment of the British North America Act.

There are different opinions as to how we could proceed to develop a mechanism for the amendment of the British North America Act. Indeed I think the hon. member for Rosetown-Biggar (Mr. Coldwell) will admit that the determination of the procedure by which we shall amend the British North America Act is of more vital importance than the determination of specific amendments which may be made at any given point of time. And even if a select committee of this house were able to agree that the dominion parliament ought to have jurisdiction over hours and wages and unemployment insurance, we would still be faced with the necessity of consulting with the provinces and seeking to secure from them an agreement as to the precise measure of consultation and agreement which would be required in order to enact these amendments. Upon that question, as was said a moment ago by the hon. member for Winnipeg North Centre (Mr. Woodsworth), there is a divergence of opinion in this country. There are those, for example, who contend that the British North America Act, lacking as it does any specific procedure of amendment, can be amended only when all the provinces have given consent to any proposal for amendment. There are those on the contrary who have suggested that the dominion parliament should of itself propose amendments, as has been done in times past, and that a joint address of the two houses of parliament at Ottawa should be a sufficient basis upon which the amendment to the British North America Act could be grounded. Between those two extreme views you have another view that there should be the assent of the two houses of the dominion parliament, in the form of an address, and at least some measure of approval by the various provincial legislatures. But that vexed question has yet to be determined, and in advance of its determination I do not see that any select committee of this House of Commons could serve a useful purpose at this time in proposing specific amendments to the British North America Act.

My second objection to the resolution is this: In view of the recent decisions of the privy council it would be more appropriate, and probably more effective, to give the provinces an opportunity to take the initiative in proposing specific constitutional amendments at this time. In support of this contention it will be necessary to remind the house of the sequence of events which led to the far-reaching decisions of the privy council which were announced last week. Until January, 1935, it was generally assumed in this dominion that exclusive jurisdiction over hours and wages and unemployment insurance lay with the provinces. As a matter of fact I remember reading a report of a most interesting address by the hon. member for St. Lawrence-St. George (Mr. Cahan) which was delivered in the month of November preceding January, 1935, in which he stated in the most vigorous terms that no lawyer doubted that the exclusive jurisdiction over these matters lay with the provincial legislatures. How was it, then, that despite the view of the courts of this country and of legal practitioners generally we find the dominion parliament assuming a jurisdiction over these matters which everyone had supposed belonged to the provinces? I do not think I misrepresent the situation when I say that this astonishing change came about as a result of a decision which was reached by the then Prime Minister of Canada (Mr. Bennett). Early in September of 1934 the present leader of the opposition went to Geneva. I suggest that on his way to or from Geneva he saw a great light. As events have proved, it was a false and deceptive light, and with his wide knowledge of law and history he ought to have known that it was a false and deceptive light. But he chose to accept its guidance, and because he accepted its guidance we find ourselves in the position to-day of having a definition of provincial rights in respect to these matters which to some extent, I think, goes further than any decisions have gone in previous years.

Mr. CAHAN: The hon. minister had better wait until he sees the decisions before making such an emphatic statement.

Mr. ROGERS: I might say that before the attempt of the late administration to appropriate provincial powers under section 132 of the British North America Act, the trend of recent decisions of the privy council was toward an enlargement of the federal jurisdiction under peace, order and good government, and at least toward a more sympathetic interpretation of the trade and commerce clause as a means of enlarging the authority of the dominion parliament. It would appear now that this trend has been arrested if not reversed and that our last state is worse than our first.

Mr. CAHAN: It is exactly the same as the first.

Mr. ROGERS: With great deference to his legal knowledge, I beg to differ with my hon. friend on that point. The violence of the attack on provincial autonomy and the arbitrary method employed by the present leader of the opposition in his invasion of provincial jurisdiction had the natural result of placing the provinces on the defensive, and accentuated their determination to maintain their autonomy before the courts. As a consequence it would seem that the decisions of the privy council as announced last week have gone further in emphasizing and entrenching provincial rights than any decisions given for many years. Indeed, I think I may at least express this view, that when the decisions come to us, if they bear out the newspaper reports already published, it will be found that this country is going to be more fettered in respect to certain phases of its external relations than it has been hitherto. In other words, I believe it is possible to say that the counter-attack has been more successful than the attack. Instead of gaining ground the dominion government has lost ground; instead of enlisting the cooperation of the provinces, the method adopted has thrown a cloud of suspicion and distrust over the field of dominion-provincial relations, and instead of reconciliation there has been recrimination and at least a measure of reaction.

Mr. Speaker, I suggest that this attempt of the late administration to use section 132 of the British North America Act as a means of amending the constitution—for it was that—has produced some of these results I have indicated and has actually left dominion-provincial relations in a less satisfactory state than before. One fact at least has been established; it is the one cause for satisfaction which can be salvaged from this episode. We now know, if there was any uncertainty before, that exclusive jurisdiction over hours, wages and unemployment insurance lies with the provincial legislatures; all doubts upon this point have been dispelled. But I want to suggest that it has cost us something to have these doubts removed; it has cost us far more than was necessary. It would have cost a vastly greater sum if the leader of the opposition had carried out his original intention and had built up an elaborate civil service organization to administer the several statutes which now have been declared invalid by the highest court of appeal. We heard, only a few days ago of members of the Employment and Social Insurance Commission who, because of the recent decisions of the privy council, find themselves without employment. In 1935 an order in council was passed which contemplated something in the neighbourhood of one hundred key positions under the Employment and Social Insurance Act. This did not begin to include the clerical positions which would have been established across this country had that act been put fully into effect. What it would have cost individuals and business enterprises to adjust and readjust their operations to these invalid statutes is beyond calculation.

There is an old maxim that it is well to forgive and forget. I am quite willing, as we must all be willing, to forgive; but I think, in the interests of this country, we ought not to forget this particular transaction. What has happened and what has been avoided should serve as a warning to all governments against forsaking the tried and proved foundations of constitutional usage for the shifting sands of political expediency. I shall say no more on this question.

Mr. BENNETT: Say it over again.

Mr. ROGERS: I am quite sure that if the leader of the opposition has exception to take to what I have said he will find ample time for reminding me of it.

Mr. BENNETT: Hear, hear.

Mr. ROGERS: We are now, however, confronted with a situation which at least is fairly definite.

That brings me to the second objection I take to the resolution which is now before the house. The provinces possess the jurisdiction to deal with labour and social legislation. This jurisdiction cannot be taken from them by violence or by any declaration that can be made by this parliament. It will not, in the light of existing judicial decisions, be transferred to the dominion parliament by the process of judicial interpretation. It can be given to the dominion parliament, in whole or in part, only by an act of voluntary surrender of jurisdiction by the provincial legislatures. The initiative, in other words, now lies with the provinces themselves.

It has already been brought to the attention of the house that an effort has been made through a dominion-provincial conference to determine the procedure by which the British North America Act shall be amended in future years. This resolution, however, appears to contemplate something in addition to that, namely, the adoption of a number of specific amendments here and now as a result of which jurisdiction over social legislation might be transferred from the provincial legislatures to the dominion parliament. I have had a very brief experience of dominion-provincial conferences. I happened to be present

as a member of the secretariat at the conference of 1927, and I have attended two or three dominion-provincial conferences during the past year. I do not think it would be unfair or in any way unreasonable to suggest that sometimes these conferences have failed because they have met in an atmosphere of suspicion and excessive caution. At times there appears to be a feeling on the part of the provinces that the dominion government has some ulterior object in view whenever specific proposals are made to them. At all events we do know that dominion-provincial conferences from time to time have not been as successful as we could have wished. I agree wholly with the hon. member for Winnipeg North Centre in that observation. But I wonder whether, in view of the recent decisions of the privy council, the initiative does not now belong with the provinces.

Would any useful end be served at this time by the dominion parliament concurring in the report of a select committee proposing to the provincial legislatures that they should abandon some portion of their jurisdiction over social questions? After all, any doubts which may have existed before have now been resolved; the provinces possess the jurisdiction. Would it not be more reasonable to leave it to an interprovincial conference, if you will, to go into this question of whether certain measures of social legislation can be carried out more effectively by uniform action on the part of the provincial legislatures or by action of the dominion parliament? A few days ago it was said that public opinion in this country is tending more strongly in the direction of supporting more social legislation, and also supporting the view that such legislation should be enacted by the dominion parliament. I wonder why that public opinion could not be focussed also upon provincial legislatures, so that they might of themselves, without any compulsion, without any undue pressure from the dominion government, voluntarily surrender their jurisdiction in some respects to the dominion parliament.

It would not be the first time the question of constitutional amendments has been dealt with by an interprovincial conference as distinguished from a dominion-provincial conference. As a matter of fact, the first conference which was held after confederation was a conference of that kind. It was summoned by Mr. Mercier, then premier of Quebec, acting in close cooperation with Sir Oliver Mowat, then premier of Ontario. As a result of its deliberations that conference actually did propose a number of specific amendments to the British North America Act. It is not necessary to go into the history of those resolutions. As a matter of fact, they fell by the wayside. They were sent to the imperial parliament with the suggestion that apart entirely from the views of the dominion parliament they should be enacted as amendments to the British North America Act, but it was represented to the imperial government of the day that this conference did not speak for Canada as a whole and that the dominion government would take strong exception to any attempt on the part of the imperial parliament to enact those resolutions as amendments to the British North America Act.

My point is simply this, that there is nothing to prevent the provinces from meeting together and discussing, in the light of the recent privy council decision, what they will do and how far they are prepared to go in adopting uniform statutes to deal, let us say, with hours of labour and wages; or, if they are not so prepared, to agree among themselves that they will transfer this jurisdiction to the dominion parliament.

My third objection to the resolution before the house, Mr. Speaker, is this: The mover of the resolution seems to have assumed that substantial amendments to the British North America Act are necessary in order to obtain adequate measures of social security in this country. I doubt if that assumption is wholly justified. I share entirely his view that owing largely to the increasing hazards associated with the changing character of economic life we must go further in the direction of social security than we have gone hitherto, but I do not think it follows of necessity that the sole responsibility for erecting that structure of social security should fall upon the dominion parliament. Clearly, the main object is to realize certain of these purposes, to remove as many as possible of these hazards or to afford protection against them, but I believe it quite possible and perhaps desirable that, particularly in a country of this kind, the framework should include legislation passed by different legislative bodies. At the present time practically all provincial legislatures have passed enactments providing for mothers' allowances and for workmen's compensation. Municipalities in some provinces have cooperated with respect to mothers' allowances and old age pensions. In the case of old age pensions there is a division of financial responsibility, though the legislation itself was enacted by this parliament. Already one province has embarked upon a measure of health insurance and another province has upon its statute books an act providing for state medicine, though as yet it has not been proclaimed.

After all, we must recognize that within a federal constitution we do have a collection of political entities; we do have a division of obligation and of powers. I do not think it follows of necessity, therefore, that in order to achieve these social objectives we must enact far-reaching amendments to the Canadian constitution. Much requires to be done in the way of a survey of the whole field in order that each may know what it can do efficiently. I am not suggesting that the dominion parliament ought not to have some powers which it does not now possess, but as I said a moment ago I do not think it follows that substantial amendments are necessary in order to carry out the objectives the mover of the resolution has in mind.

Let me speak for one moment of the United States; the hon. member referred to the social security program in that country. That program has not been carried through by a transfer of jurisdiction from the states to congress. In the main it has been carried out as a result of financial assistance being given by congress to the states providing that particular measures of social security enacted by the states conform to standards laid down by congress.

Mr. WOODSWORTH: May I just ask there: Does the Minister of Labour regard that as a sound principle?

Mr. ROGERS: I quite agree with my hon. friend that there is an objection to a separation of the taxing and spending authorities. I have no doubt that was the objection my hon. friend had in mind when he asked that question. But it may be that under a federal constitution certain legislation of this kind may serve during a transition stage or may even operate as a substitute for a definite transfer of jurisdiction from one authority to another. Upon that question I am bound to say I have no final opinion; indeed it would be a great mistake to have a final opinion.

Apart from his suggestion that this select committee should concern itself with the proposal of specific amendments to the British North America Act touching social legislation, the hon. member who moved this resolution indicated his own belief that the committee should go much further than that and consider the financial relations between the dominion and the provinces, the reform of the Canadian senate—I think I am correct in suggesting that this also was in his mind—and in general deal with what he termed constitutional questions.

Apart from the objections to the resolution which I have just indicated, it does seem to me that to vest a committee with such wide terms of reference would most certainly defeat the object my hon. friend has in mind. I agree with him wholly that one cannot usefully consider the transfer of jurisdiction over social questions apart from the consideration of dominion-provincial finance. But the subjects of dominion-provincial finance, of debt and of other related subjects are not of a kind to lend themselves to useful investigation in the short period which could be given them during the present session of parliament.

For these several reasons I repeat my opposition to the resolution and express the hope that the mover may see fit to withdraw it.

Hon. C. H. CAHAN (St. Lawrence-St. George): Mr. Speaker, with all due deference to the Minister of Labour (Mr. Rogers), it seems to me that the confused remarks made by the mover of the resolution (Mr. Coldwell) have been still further confused by the address just now delivered by the minister. As a matter of fact it is not a question of the transfer of jurisdiction; that does not enter into the real picture. The British North America Act as originally drafted, interpreted and construed, was indeed a very good act. In fact I believe to this day it remains a very good act, and I doubt whether a committee of the House of Commons can be expected successfully to clarify it.

When the act was passed certain legislative authority was given to each province. Section 92 states:

> In each province the legislature may exclusively make laws in relation to matters coming within the classes of subjects next hereinafter enumerated; that is to say,—
>
> 1. The amendment from time to time, notwithstanding anything in this act, of the constitution of the province, except as regards the office of lieutenant governor.
>
> 2. Direct taxation within the province in order to the raising of a revenue for provincial purposes.
>
> 3. The borrowing of money on the sole credit of the province.
>
> 4. The establishment and tenure of provincial offices and the appointment and payment of provincial officers.
>
> 5. The management and sale of the public lands belonging to the province and of the timber and wood thereon.
>
> 6. The establishment, maintenance and management of public and reformatory prisons in and for the province.
>
> 7. The establishment, maintenance, and management of hospitals, asylums, charities, and eleemosynary institutions in and for the province, other than marine hospitals.
>
> 8. Municipal institutions in the province.
>
> 9. Shop, saloon, tavern, auctioneer, and other licences in order to the raising of a revenue for provincial, local or municipal purposes.

Paragraph 10 deals at length with local works and undertakings other than those such as lines of railway crossing from one province to another. Although I should like to read it, I shall not take time to do so. Then paragraph 11 reads:

11. The incorporation of companies with provincial objects.
12. The solemnization of marriage in the province.
13. Property and civil rights in the province.

Paragraph 14 is somewhat longer, having to do with the administration of justice in the province. Paragraph 15 deals with the imposition of punishment by fine, penalty or imprisonment. Paragraph 16 reads:

16. Generally all matters of a merely local or private nature in the province.

From the first to the last of the discussions in the Supreme Court of Canada and in the judicial committee of the privy council without exception it has been held that all legislative powers not found in section 92 are vested in the parliament of Canada. There is no doubt about that. Hon. members may have heard of the discussions when the British North America Act was framed and those which took place during the first twenty years of confederation. I knew personally the men from the maritime provinces who had to do with the framing of the act. Time and again in private conversation and in public I have heard them state their belief as to the meaning and intent of one section of the act. Certainly paragraph 13, dealing with property and civil rights in the province, never was understood at confederation or for twenty years thereafter as including unemployment insurance, the control and regulation of industry in the province, the hours of labour, the maximum or minimum of wages of labour. Those matters were never thought to rest within paragraph 13, property and civil rights in the province. All the remaining paragraphs, with the exception of 13, are clear. There is no ambiguity. Except for the ambiguity and confusion which is found in the words "property and civil rights in the province," there would be absolutely no doubt in the mind of any student that unemployment insurance, hours of labour, wages and the regulation of industry are within the exclusive legislative control of the parliament of Canada.

I cannot give an exact date, but I believe until about 1896 I had a copy of every decision made by the judicial committee of the privy council and a copy of the shorthand report of every argument before that body concerning the British North America Act. So far as my intelligence permitted I have made a careful study of the matter. It was not until after Sir John Macdonald came into office in 1878 and followed Edward Blake in asserting certain powers of the dominion in respect to imperial and external affairs that the judicial committee of the privy council began, with decision after decision, to give a wider interpretation and construction to "property and civil rights," and to cut down the general power vested in the parliament of Canada under section 91.

Section 91 states:

91. It shall be lawful for the Queen, by and with the advice and consent of the Senate and House of Commons, to make laws for the peace, order and good government of Canada, in relation to all matters not coming within the classes of subjects by this act assigned exclusively to the legislatures of the provinces; and for greater certainty, but not so as to restrict the generality of the foregoing terms of this section, it is hereby declared that (notwithstanding anything in this act) the exclusive legislative authority of the parliament of Canada extends to all matters coming within the classes of subjects next hereinafter enumerated, that is to say—

And then follow twenty-nine paragraphs.

I think I have read every one of the decisions of the judicial committee of the privy council which were applicable to Canada, and in recent years, certainly in the last forty, it has never exercised strictly judicial functions. The judicial committee of the privy council differs from the high court of justice in England in that its decisions indicate pronouncements of what it believes to be high political principles, as apart and distinct from strictly legal interpretations. I suggest that it is not advisable for me to follow the Minister of Labour in a discussion of the recent opinions of the judicial committee of the privy council. They themselves have suggested that their opinions in respect of these references are simply advisory and that they have no legal binding obligation upon the courts of Canada. However, if the recent cabled reports are borne out by the express terms of their opinions as they will be found finally reported in the law reports, certainly I think the criticism which I have made as to decisions of the judicial committee of the privy council in the past may still be found to apply to some of the opinions recently given.

My hon. friend quoted from an address which I gave in November, 1934, and which I still think was a pretty good address. I think I gave a fairly clear summary of the decisions given, not only by our supreme court but by the judicial committee of the privy council prior to that date. There then arose certain contentions. The legal experts of the labour section of the Geneva conference contended,

by a series of articles pronounced and published in international journals, that under section 132 of the British North America Act, and in view of the radio decision and the aeronautics decision which had just previously been delivered—

Mr. ROGERS: Were they not in 1932?

Mr. CAHAN: Quite so, but what is a couple of years in a matter like that? It sometimes takes a year to study these decisions of the judicial committee of the privy council before one can form any accurate idea of their meaning or intent. They had been delivered previously and they led to public discussion in legal and other journals to the effect that the parliament of Canada was not fulfilling its duty to Geneva and to the League of Nations because it had not ratified the labour conventions dealing with hours of labour and rates of wages and had not exercised its legislative authority to put them into effect.

Mr. ROGERS: Did they suggest that we ought to acquire jurisdiction in that way?

Mr. CAHAN: They suggested we had already acquired it under and as set out in section 132. We were not thereby acquiring jurisdiction. No jurisdiction could be acquired other than the jurisdiction vested in parliament by section 132. They argued that in the opinions given in the two cases I have mentioned it was decided by the judicial committee of the privy council that that jurisdiction had been acquired.

Mr. POULIOT: A convention which is not ratified is not a convention.

Mr. CAHAN: I am not going to discuss that with my hon. friend.

Mr. POULIOT: I will express my views afterwards.

Mr. CAHAN: The hon. member has a perfect right to discuss his views, but he has no right to make impertinent remarks.

Mr. POULIOT: I may not be as bad as the hon. member for St. Lawrence-St. George.

Mr. CAHAN: Probably not. I know I am always being unfair in making insolent remarks and I have no doubt my hon. friend is simply following my bad example.

Mr. POULIOT: Not to the same degree.

Mr. CAHAN: My hon. friend's accusation that there was a deliberate attempt on the part of the government and the parliament of Canada to filch jurisdiction is not well founded and is not fairly made. If he presents it as a criticism of the government of Canada under the leadership of the right hon. leader of the opposition (Mr. Bennett), then it is also a criticism of parliament itself and of a parliament in which none of the members had the courage to register their votes against the resolutions approving these conventions or against the legislation based thereon.

Mr. POULIOT: I did.

Mr. CAHAN: My hon. friend is so singular it is possible he may have. I do not remember, but I accept his statement. Therefore what was done was merely to exhaust another possible legislative power which, if held to be within the legislative competence of parliament, would enable parliament to deal with the social and economic questions which were then worrying the people of Canada. The final decisions have now been given and we are back to the condition of affairs which applied when I delivered my address in November, 1934, the address so highly commended by the hon. gentleman. But where are we now? By successive decisions of the Supreme Court of Canada and the judicial committee of the privy council it has now been held that all questions relating to compulsory insurance, to salaries and wages and to hours of employment are vested in the province, since section 92 of the British North America Act states that legislation respecting property and civil rights in the province is vested in the province. This vast field of legislative action which is now declared by the courts to be vested in the province is exclusively covered by that section dealing with property and civil rights in the province and the last clause, number 16, which reads:

> Generally all matters of a merely local or private nature in the province.

Nobody has contended so far, at least that I have noticed, that legislative jurisdiction with regard to wages and hours of labour is vested in the province because those are matters of a merely local or private nature. They come under an interpretation of clause number 13, which was never thought of by the framers of the British North America Act. It was not discovered until some years after the British North America Act of 1867 had been enacted that under property and civil rights the province had exclusive jurisdiction in a vast legislative field dealing with every phase of our industrial life. Now what is required, I think, is not so much to ask the provinces to forego any legislative jurisdiction which is really vested in them. All that is necessary is a clarification of one or

two sections of the British North America Act—one clause of section 92, and perhaps also section 91, in the recital preceding its first clause.

How can that best be done? We know that, in the past, in no case where parliament by a joint resolution of both houses has asked for an amendment or modification of the British North America Act, has it been denied by the imperial parliament. I suggest that the government of which my hon. friend is a member have not altogether abandoned that procedure because we had an occasion last session when a joint resolution of the Senate and the House of Commons was introduced for the purpose of securing from the imperial parliament a very radical amendment of the British North America Act, far more radical than any amendment required to enable parliament to adjust our social and economic difficulties, and what I would suggest to my hon. friend is that to follow the procedure suggested by the Minister of Labour is simply to prolong the agony, as he calls it, or perhaps it was the hon. member for Winnipeg North Centre (Mr. Woodsworth) who spoke of the problem as being agonizing. In any case the suggestion was boldly made that if something were not done we would have organized insurrection and an attempt by force of arms to disrupt this country.

Mr. WOODSWORTH: Mr. Speaker, I must protest against anything of that kind being put in my mouth.

Mr. CAHAN: Well, I have heard this evening from some hon. gentleman that there was likely to be a complete disruption of this dominion.

Mr. WOODSWORTH: I said there was danger of secession.

Mr. CAHAN: Well, secession was tried in the republic to the south, and it cost a million lives; if secession were tried in this country it might cost something in proportion. Canada is not prepared for secession. No province is going into secession, and the threat of secession, by way of intimidation, is the worst possible way to try to secure conciliatory action on the part of any province or of this dominion.

To cover what is now pressing, I asked the hon. member for Winnipeg North Centre for a precise statement of the remedies which he had in view. It is confusing to talk in philosophic terms when one is dealing with the precise wording of a statute, and the hon. member did subsequently explain, in very simple language which we could all understand, that he had in view the legislative power of this parliament to bring into being a system of compulsory unemployment insurance; second, the legislative power of this parliament to deal with hours of labour; and, third, the legislative jurisdiction of this parliament to deal with minimum wages. Now, if that is what is required, why not draft in simple words—I am sure the Department of Justice can do it, and I am quite confident there are other members of the legal fraternity who could do it—some simple amendment to the British North America Act, sections 91 and 92, which would authorize the parliament of Canada to exercise such legislative jurisdiction? Let us have it in concrete form. Let us have it expressed in a joint resolution of both houses.

Mr. THORSON: Would the hon. gentleman support such a resolution?

Mr. CAHAN: Why, certainly. I think there may be doubt as to whether this parliament is more capable of dealing competently and adequately with the question, for instance, of hours of labour and perhaps of wages, than the provincial legislatures. There is a difference of opinion about it. Arguments can be urged on both sides. There is no doubt now that any one province can legislate with regard to these matters. The contention, as I understand it, is this, that parliament should deal with wages and hours of labour in such a way that its legislation would prevail throughout the length and breadth of the whole dominion. On the other hand, there are those who suggest that the conditions complained of are not the same throughout the length and breadth of the country. I remember an argument which I listened to in my own province of Quebec, in which it was suggested that conditions were not the same in all parts of that province, and that hours of labour should be different in the northern mining country, in the lumber camps, in some of the industrial towns, and in the city of Montreal, and reasonably strong arguments were made from that point of view.

But this parliament is in favour of having uniform legislation throughout the length and breadth of Canada. At least, if I understand the expressions of opinions which were given during the last session of the late parliament, in the 1935 session, if I fully appreciate the political speeches made by the right hon. leader of the opposition of that day, and if I understand the same suggestions which have been made from the government side again this session, there is a consensus of opinion that parliament can deal more efficiently and more effectively with these matters than can

the several legislatures. That opinion may be due to what I have observed during my twelve years as a member of this parliament. I notice that whenever any question comes up in which the legislative competence of the dominion is pitted against the legislative jurisdiction of the province, the members of this parliament on both sides immediately assume, with a unanimity that is seldom observed, that the parliament of Canada is more intelligent, more experienced and more competent to deal with such matters than is any provincial legislature.

On the other hand I notice that in the provinces with which I have experience, especially the two larger provinces, the members of the legislature think that with regard to these matters they are closer to the people; they are closer to the soil; they know better what is needed to remedy the evils which exist. I suggest to the hon. member for Winnipeg North Centre (Mr. Woodsworth) that this parliament is not the only parliament of the country. There is a real difference of opinion as to whether this parliament is more competent to deal with certain social questions than are the legislatures of the provinces. But if we are resolved that parliament should do it, and that parliament should acquire the legislative competence to do it, the matter is really one of procuring simple amendments to the British North America Act as it exists at present, so as to make it clear that regulations of wages and hours of labour are not included exclusively in "property and civil rights," and so as to make it clear that the parliament of Canada has legislative competence to deal with the question of unemployment insurance.

Mr. LAPOINTE (Quebec East): Does my hon. friend suggest that we should do it without first consulting with the provinces?

Mr. CAHAN: I am not suggesting that. My hon. friend knows that one weakness I have shown in this house is in contending, whether under the federal government of my hon. friends opposite or under federal governments led by the successive prime ministers under whom I have served, that to maintain peace, order and good government in this country there should be the utmost efforts at conciliation and cooperation and joint action between the federal and provincial parliaments. But this I say, that every provincial conference which I have attended or of which I have read the proceedings, failed to arrive at concrete decisions simply because its members went off into a discussion of all sorts of philosophical and hypothetical questions with regard to government. I suggest that my hon. friend the Minister of Justice should have his department draw up two or three simple amendments—a very few words would express them—which would give parliament beyond a doubt the jurisdiction which he desires, and have those amendments submitted to this parliament, and, if he so desires, submitted to each of the provincial governments. The discussion would then be restricted to really concise and definite propositions, and we would be more likely to reach a unanimity of opinion.

I did not intend to enter upon any such discussion as this, but I was provoked to it by what I thought was the unfair criticism on the part of the Minister of Labour (Mr. Rogers), which was due not to any malicious desire on his part to be unfairly critical of the late government, but rather to the fact that his philosophic brain has not yet taken into consideration all the points in issue in this discussion.

Mr. JEAN-FRANÇOIS POULIOT (Témiscouata): Mr. Speaker, very seldom have I followed a debate so closely as this one. This afternoon the hon. member for Rosetown-Biggar (Mr. Coldwell) was very interesting, the hon. member for Winnipeg North Centre (Mr. Woodsworth) very energetic, the hon. member for Peace River (Mr. Pelletier) very enthusiastic; the hon. member for Moose Jaw (Mr. Ross) spoke as a business man; the Minister of Justice (Mr. Lapointe) spoke as a statesman, as did the Minister of Labour (Mr. Rogers). And now, looking ahead of me, I see the hon. member for St. Lawrence-St. George (Mr. Cahan) to whom I have listened very attentively. He has expressed many views on this matter, both inside and outside the house, every time contradictory, and never right. It is most extraordinary that an hon. member has expressed such divergent views without once attaining the truth. It is a marvellous accomplishment. But are we serious? Yes or no?

Some hon. MEMBERS: You are not.

An hon. MEMBER: We do not take you seriously.

Mr. POULIOT: What is that legislation which has been referred to so often this afternoon and to-night? It is a fake, a bait, a vote-catcher announced by the big broadcast of January, 1935, made by the right hon. leader of the Tory party (Mr. Bennett). There was nothing to it; it was only another attempt to have the Canadian people forget the way he mismanaged the business of this country during the years he was in power. The same criticism applies to all his colleagues of that

time with the exception, perhaps, of the ex-Minister of Public Works (Mr. Stewart), who looked only after his own department and had nothing to do with that so-called social legislation. I except him.

But speaking of contradictions, we just heard the hon. member for St. Lawrence-St. George say that the British North America Act was a good act; yet afterwards he said that he had found ambiguity and confusion in section 92. I am not surprised that he says that an act in which ambiguity and confusion are found is a good act. I can say the same of his speeches: they are good, but they are full of confusion and ambiguity. He said—I took a very careful note of this—"I doubt whether a committee of the house could clarify it"—that is the British North America Act—"successfully." A committee composed of the laymen who are in this house could not do that. On the other hand, the hon. gentleman said, members of the legal fraternity could draft a little amendment to suit the purposes of this resolution. It cannot be done by a committee composed of members duly elected by the people of Canada, but it can be done by civil servants. This reminds me of what has been said by the leader of the Tory party about legislation. Legislation is drafted by officers of the crown. A government submits it to the house. It is passed by parliament and then it is interpreted by the judiciary. They sometimes understand nothing in it; so much the better.

The hon. member for St. Lawrence-St. George spoke about the exclusive legislative control of the Dominion of Canada. It is not exclusive on one side only; it is exclusive on both sides. It means that on the one hand the dominion government has exclusive jurisdiction and that on the other hand each of the provinces has also exclusive jurisdiction. St. Lawrence-St. George spoke of the fathers of confederation, but he must have been very young if he had those conversations with them, because most of the fathers of confederation died a long time ago. If he was old enough to have conversations with them, especially at the time Sir John Macdonald came into power in 1878 as Prime Minister of Canada—well, he must be nearly a hundred years old. I speak of St. Lawrence-St. George.

Mr. DEPUTY SPEAKER: Order. The hon. member must not refer to the hon. gentleman as "St. Lawrence-St. George;" he must say "the hon. member for St. Lawrence-St. George."

Mr. POULIOT: I was not referring to the two saints but to the member for that constituency. However, I will say the hon. member for St. Lawrence-St. George; I have no objection to that. The exclusive legislative control of the dominion and the exclusive legislative control of the provinces constitute a most important point. What does it mean? It means, according to the British North America Act, that the dominion government can do certain things which the provinces cannot do, while on the other hand the provinces can do other things which the dominion government cannot do.

I do not want to recall any personal matters, but may I tell you, sir, that my grandfather fought confederation with Mackenzie and other members of the Liberal party—I mean Alexander Mackenzie and those who voted against confederation—because he found in it a disguised legislative union. And that is the Tory point of view, to have a Tory legislative union for confederation—in other words, centralization. The Liberal party fought for decentralization, and I keep as a family heirloom the text and translation of speeches made by the great leaders of the Liberal party in Ontario such as Alexander Mackenzie, Blake, Mowat and others who respected the principle of decentralization and regarded it as a Liberal principle. In the province of Quebec the Liberals think on that point just as the Liberals of Ontario do. We fear centralization; we fear that confederation might become a disguised legislative union; and the fathers of confederation wanted to make that clear, to make it definite, so that there should be no provincial encroachment upon federal powers and no federal encroachment upon provincial powers. That is clear and simple. How can it be interpreted differently?

It is most ridiculous that one of the leaders of the bar of Ontario, who is now chief justice of that great province, and one of the leaders of the bar of Quebec, a former president of the Canadian Bar Association, as well as other masters of the legal profession had to cross the sea in order to discuss before the privy council that so-called social legislation of 1935. Was that legislation based upon obligations arising from a treaty? No sir, and for a very good reason which I shall explain. Section 132 refers to the binding obligations arising from a treaty. It is said that parliament had not ratified these conventions; but how can a convention exist when it is not ratified? It reminds me of the astonishment of the hon. member for St. Lawrence-St. George last year when he heard a member in the far corner of the house speak about a unilateral agreement. The hon. member for St. Lawrence-St. George laughed at that; he thought it was nonsensical. But what did he

say when he argued about the binding force of a convention that had not been ratified? Is that not a unilateral convention such as he laughed at last year?

We see that the so-called social legislation which has been thrown into the waste-paper basket by the highest court, the privy council, was simply a vote-catcher. There was no treaty; there was no convention; it was only a formula drafted by the experts at Geneva, suggesting what could be done if it were desired. Did Canada sign a treaty with any other nation represented at Geneva for that so-called social legislation? No, sir; you know too well to say that. It was a matter of make believe, to make the Canadian people believe that we were bound by a treaty to pass such legislation, not in accordance with the constitution, but against the constitution. The right hon. leader of the Tory party must remember that when we were on the opposition side the member for Témiscouata told him that before declaring that he was going to amend the British North America Act, there was one thing which he should indicate, namely, what amendment or amendments he had in view. It was pointed out to him that it was a very bad thing to declare that he was going to amend the British North America Act without saying in what specific way he would do so. He had to indicate that such and such a section of the act would be amended for such and such a reason; and only these sections should be amended, not the whole act.

Personally I am not very fond of the British North America Act, and for a very good reason. I do not believe it is perfect, because it was inspired by fear, the fear of annexation. On the other hand, since it is our constitution, it must be respected to a certain extent and it must not be changed without sufficient care. Let us look at the report of the special committee on the British North America Act—a committee of this house. It is a book which I recommend to every member who has not read it or who does not belong to the committee. It contains very interesting evidence. This committee, having sat for several days, did not reach a single conclusion. No amendment was suggested and we find in the report only the answers of the representatives of each province and a resumé of the evidence given by several witnesses who appeared before the committee.

I am in favour of a committee of the House of Commons to study the British North America Act, not with regard to social legislation but with regard to taxation, in order to see how taxation should be divided, in order that each province should be at home in its field of taxation, in its sphere of action, and that the dominion government should be equally at home in its field of taxation and its sphere of action. It is not in order to create any kind of trouble between the dominion and the provinces; it is so that we may have order as between the federal government and the provinces, and that order will come when taxation is adjusted, when the provinces spend only the money they get from their own taxation and when Ottawa will not have to distribute to the provinces or municipalities money obtained by federal taxation.

I want order, and the right hon. leader of the Tory party is responsible for the disorder that exists not only in dominion but also in provincial finances, and in the municipal field as well. He has a great responsibility in that connection. He may come and say, "On my authority as a member of the bar, with a standing of many years, I tell you that we were bound by treaty in connection with that so-called legislation." That is false; there is nothing to it. To support my contention I do not have the hon. member for St. Lawrence-St. George, but I have the most intelligent judges sitting on the bench of the Supreme Court of Canada and the members of the privy council of England, men without prejudice, who say that so-called legislation is just bunk. To show my sincerity, sir, in the votes and proceedings to-morrow you will see notices for the introduction of six bills to repeal the acts passed by the Bennett government in connection with their so-called legislation. Those bills will bear the name of the member for Témiscouata. I am being true to my word; I said those bills, which were simply fakes, should go to the waste-paper basket.

I will add a word of comment and praise with regard to the hon. member for Rosetown-Biggar (Mr. Coldwell). I know he is sincere, and I give him credit for that, but I tell him —as he knows very well—that it is impossible to have a dominion enactment with regard to hours of labour and wages. The hon. member knows very well that it is impossible even for a province to pass a statute applying similar hours of labour in every part of the province and equal wages to men engaged in the same industry in various parts of the province. It must be regulated by order in council. The member who addresses you now, Mr. Speaker, drew the attention of the house a very long time ago, before any labour member spoke about the matter, to hours of labour and wages in Quebec. Why was that done?

It was because I could not conceive that in my native province men should receive much less than their compatriots in other provinces, and I wanted to draw the attention of the government to the matter in order that those wrongs might be redressed.

That was done, as far as the federal government could do it. For that I wish to thank the Prime Minister (Mr. Mackenzie King) and his colleague, the Minister of Labour of the time, the Hon. Peter Heenan. They imposed conditions with regard to minimum wages and hours of labour in regard to men engaged in work being done for the dominion government. They could not go further because of a limitation imposed by a ruling of the Supreme Court of Canada. They wanted to do the right thing in order to help the people; they wanted to do something that might be useful, so they went the limit and we passed the legislation which was introduced by Mr. Heenan. Following that, those who were working for the dominion government received fair wages and were not asked to work more than a certain number of hours per day, or if they did work longer they received overtime. That was fair, I think. If we do something, sir, we must do it in such a way that it will help those concerned; I am sure my hon. friend from Rosetown-Biggar will agree with me. What is the use of passing legislation which is no good and which does not help those concerned? It is all right to express the pious wish that we could do this or that, but there is a way in which it can be done. We have the Statute of Westminster, and in this connection I am sorry to disagree with my hon. friend the Minister of Labour (Mr. Rogers). According to section 4 of the Statute of Westminster, the parliament of the United Kingdom is not to legislate for a dominion except by consent. This means that the dominion government must express its wish before any legislation, especially any sort of legislation amending the British North America Act, is passed by the United Kingdom. It is important to have that.

Supposing the British North America Act is studied by a committee of the House of Commons, or a joint committee of the commons and senate, in order that this small group of men, representing the government and the official and unofficial opposition, may discuss the matter and reach an understanding as to what is lacking in the British North America Act. They will find that the first matter to be adjusted will be that of taxation, and they will express their views fully in that regard. They will come to the house with legislation, and if all parties represented on the committee come to an agreement it will be very easy to have that legislation passed. Later the opinion of the provinces can be secured.

Sometimes there are things which are not done but which members of the house would like to have done. If we have not the power to pass legislation such as that mentioned by the hon. member for Rosetown-Biggar, the ruling of the privy council means that the provinces have that right, because it must exist somewhere. If we do not have the right the provinces have it, and if the provinces have it the people of this country should be told so, in order that the people may know that if the provinces do not pass such legislation as they desire they will be remiss in their duty. Then the matter will be clear and very easy to understand. This, it seems to me, is the thing to do. I ask hon. gentlemen on all sides of the house to consider that point very seriously, so that these things may be done by the proper authority in order that they may benefit those concerned.

Mr. J. T. THORSON (Selkirk): Mr. Speaker, until I listened to the hon. member for St. Lawrence-St. George (Mr. Cahan), I had not intended to speak on this resolution. In my opinion the hon. member for St. Lawrence-St. George made a suggestion which merits the careful consideration of the house. He outlined, I believe quite accurately, the essential objectives of the British North America Act. He made specific reference to sections 91 and 92, and after reading section 92 made reference to that paragraph of section 92 which deals with property and civil rights in the province, and the last paragraph which deals with matters of a merely local or private nature in the province.

I believe it is recognized that it was in the minds of the fathers of confederation that there might be a shift of jurisdiction from the provinces to the dominion; that we were providing in our constitution for a centralized federalism; that circumstances might develop whereby matters might cease to be of a merely local or private nature in the province and become matters of national concern, and that as this change took place in the nature of the subject matter, so the courts from time to time would interpret the legislation. The hon. member for St. Lawrence-St. George stated, I believe quite accurately, that when confederation was contemplated, it was never thought that the paragraphs of section 92 dealing with property and civil rights in the province, and matters of a local or private nature in the province would include such subjects as unemployment insurance, or the

wages or hours of labour. On the other hand, the decisions of the privy council have practically destroyed the effect of that portion of section 91 of the British North America Act which deals with the peace, order and good government of Canada.

What is then the situation left by the recent decisions of the privy council? The decisions mean that this parliament has no jurisdiction whatsoever to deal with unemployment insurance, no jurisdiction to deal with hours of labour, and no jurisdiction to deal with the subject of wages. I think it follows also from these decisions that parliament has no jurisdiction to regulate or control industry. The recent decisions have left all these subjects within the jurisdiction of the provinces.

Mr. BENNETT: Except criminal law.

Mr. THORSON: Yes, except criminal law. Nominally the provinces now have jurisdiction to deal with these subjects. They have power to deal with unemployment insurance; they have power to deal with hours of labour, wages, conditions of employment and the regulation and control of industry. But how real is that power? If any province sought to exercise it in the manner in which many hon. members and many people throughout Canada think it ought to be exercised, what would happen? It would mean that industries would boycott the province which sought to exercise its power, and the result is that only nominally does that power now reside anywhere in Canada.

Theoretically, under the decisions of the privy council the power now rests with the provinces, but as a matter of fact, since there would be fear of driving industries out of that province which might otherwise wish to exercise proper control and regulation of industry, the power does not in actual reality exist, because no province would dare to put its full power into operation and—

Mr. BENNETT: Unless they all got together and passed the same statute.

Mr. THORSON: Yes. And what probability is there of the provinces getting together? For that reason I think the suggestion made by the hon. member for St. Lawrence-St. George merits the approval of the house; it would bring back into our constitutional scheme the original spirit of confederation. That spirit was that unless one could find within the four corners of section 92 specific jurisdiction in the hands of the provinces, then such jurisdiction automatically belonged to the dominion. If we followed the suggestion made by the hon. member for St. Lawrence-St. George of drafting a proposed amendment to section 91 of the British North America Act—

Mr. BENNETT: And 92.

Mr. THORSON: —making it perfectly clear that the dominion had jurisdiction in the matter of unemployment insurance, wages, hours of labour and the control and regulation of industry generally, and then submitting an address to both houses of parliament asking that the necessary amendments be made to the British North America Act, we would then place definitely and concretely before the people of Canada a problem which from one end of the country to the other is demanding public attention. The provinces would have the opportunity of saying whether or not they approved of such an address being adopted by both houses of parliament.

Last year we set a precedent for this course of procedure. Although I did not personally approve the proposed power to be given to the provinces and was glad that the senate threw out the particular amendment then proposed, I believe that the precedent then set for proposed amendments to the British North America Act was an excellent one.

For the reasons I have briefly set forth I commend the suggestion so clearly placed before the house by the hon. member for St. Lawrence-St. George.

Right Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, I do not propose at this time to discuss the British North America Act. At the appropriate time I intend to discuss the judgments of the privy council. If the Minister of Labour (Mr. Rogers) had been a little more careful in examining what my course had been, he would not have made the observations he did. It was commonly understood, I think, by most lawyers that in view of the decision of the Supreme Court of Canada, the provincial legislature and not the federal government had the power to enact the social legislation in question. This came about by reason of a decision or opinion of the supreme court upon certain questions submitted to it by the executive. However, with the privy council decisions on the radio case and the aeronautics case we had an entirely new conception of our powers.

Lord Sankey, the chancellor in the radio case, summarized the constitutional situation with what I think was considerable care. He made certain declarations as to the power of parliament which were far wider than any that had heretofore been made. When Lord Dunedin had to deal with the aeronautics

case and with the treaties or conventions which were under consideration, he made a declaration as to the power of this parliament wider than anything that had heretofore been made. He declared that under peace, order and good government this parliament had jurisdiction to deal with questions which might arise out of conventions or treaties. He also placed upon section 132 of the British North America Act a construction which was far wider than had ever been placed upon it before the radio case.

In my judgment that section is a limited one. It expresses itself in terms relating to the British Empire. Had my friend the Minister of Labour been a little more anxious to know the facts rather than to endeavour to make political capital, he would have found that in this chamber while his party was still in office, I took the view, before the decisions in the radio and aeronautics cases, that we had no power to deal with these matters. The Solicitor General of that day directed my attention to section 132, and his remarks will be found in Hansard, as I hope later to indicate. After these decisions, the constitutional lawyers of this country had an entirely new conception of our powers. If hon. members have any doubt on that point, let them read the opinion of Chief Justice Duff in these very references. I think it is the consensus of opinion that his judgment is at least entitled to great consideration.

Mr. LAPOINTE (Quebec East): My friend should say, at least the opinions were divided.

Mr. BENNETT: They were divided, but I can say this without question, that the one who had the widest experience and who was constantly in attendance at the privy council held the strong view I have indicated. We have not the text of the judgments before us and I do not intend to discuss them. There may be many additions; there may be controlling sentences and parentheses which will change entirely our conception of them. I hope so. The newspaper reports would indicate that the general trend of the judgments was to the effect that the parliament of Canada was a very powerless institution with respect to matters affecting the welfare of Canada.

There were three points to which the Minister of Labour might have directed his attention. First, there was no concrete case before the courts. Second, the privy council have said that the opinion which they themselves have delivered has just as much value as the judgment of the Minister of Justice or of any law officer of the crown. Third, a judgment upon a hypothetical case is worthless. That is the position we are in. If the suggestion we made had been followed, if a real case had been taken before the courts, if the facts had been presented, then we would have had a judgment. Now we have no judgment.

Mr. ROGERS: Would it necessarily have been different?

Mr. BENNETT: I do not suggest for a moment that it would necessarily be different, but I do suggest beyond all question that it would be a judgment based upon the facts of a particular case. For instance, take the marketing act. There is in that act nothing to warrant any such construction as the newspaper reports indicate. It expresses itself in exact terms; it refers only to exports and to interprovincial business. It had attached to it, for the purpose of making it complete, the statutes of the various provinces dealing with their own domestic business. This same privy council decided, not on a hypothetical case but on a real case, that the legislature of British Columbia had certain powers, which powers it exclusively enjoyed. If one takes the two together there is no doubt as to what result one might expect.

As I pointed out, in the aeronautics case there is a continuous expression of what is contained in the radio case, and upon these this legislation was submitted to this house. Had it not been for the judgments in the aeronautics and radio cases, this legislation would not have been here. When the Minister of Labour so far forgets his position as to suggest that because someone was going to and from Geneva he conceived a certain idea, it seems to me he does not do very much justice to his own intelligence.

Mr. ROGERS: I read the letter sent by the then prime minister to the provinces on the eve of his departure for Geneva.

Mr. BENNETT: And the reason is perfectly obvious. If the hon. gentleman had been in the house he would have known, but he was not. This is the position. We now have an opinion, but not upon a case. This opinion has no more binding effect upon parliament than has the opinion of the Minister of Justice.

Mr. MACKENZIE (Vancouver): It is upon the whole statute, is it not?

Mr. BENNETT: Certainly, but the opinion as to its being intra or ultra vires has no more binding effect than has the opinion of

the law officers of the crown. Questions were asked as to the validity or invalidity—not upon a concrete case; that is the trouble. The privy council was very clear about that and expressed itself in strong terms as to the value of answers given to questions on references.

Mr. THORSON: It would have a great deal more persuasive effect.

Mr. BENNETT: But persuasive effect and judicial effect are two different things. There is a vast difference between a judgment and a mere opinion.

Mr. THORSON: In reality there is no difference.

Mr. BENNETT: There is a very great difference. Permit me to say that at least the judicial committee has said that there is a great difference. They felt that there was a great difference. One has a probative effect and the other has not. One is binding and the other is not. One is a judgment upon which execution may issue, if it be a civil matter; the other has no effect at all; it is no greater than the opinion of the law officers of the crown.

It was upon the strength of the aeronautics and radio cases that these statutes were submitted to this house. It is suggested that the provinces might be deprived of all power by a convention or treaty between a foreign power and the dominion, but I do not think one can help but remember what the privy council has so frequently said, namely, that we must not assume that parliaments and legislatures are going to pass legislation of that kind. It must be expected that they are going to be reasonably intelligent. It must not be forgotten that the representatives in parliament represent the same constituents as do the representatives in the provincial legislatures. However, perhaps I should not make any statement until I read the judgments in detail.

I am asked: What difference would it make? I put this to my hon. friend. The Lemieux act was passed by this parliament and was acted upon for a little over twenty years. A case under it then arose which went to the privy council and the decision was given that the act was bad. It had been bad for twenty years, but no government had submitted it to the privy council to have a declaration made. When the case arose the result was that the act was declared invalid.

Mr. LAPOINTE (Quebec East): May I ask my right hon. friend a question?

Mr. BENNETT: Certainly.

Mr. LAPOINTE: (Quebec East): If I am not mistaken, my right hon. friend has based his argument largely upon the radio and aeronautics cases. They were on reference in exactly the same way. So, if the decisions on the present references have no worth, how were the decisions so good on the radio and aeronautics cases?

Mr. BENNETT: That is the point to which I was just coming. My hon. friend knows that in neither case was there the judgment of a court. Had there been a judgment in the aeronautics and radio cases the privy council could not at least have overruled its own judgment, but when it comes to expressing an opinion they can do anything they like because it is not a judgment. That is the reason why the court made it clear that we must have judgments. Everyone knows that is so. There may be some difficulty about some people understanding it, but there is no doubt it is a fact. In the United States they decline to submit questions to the courts on reference; the questions must arise out of concrete cases. In the United States in every one of the cases in which decisions of far-reaching consequence were given, the cases had a beginning in a federal court, often on a very small issue, and on the facts of the case as presented, the validity or otherwise of the statute was determined. If in this case unemployment insurance had been thus tested, I cannot think the judgment of the court would have been at least as reported in the newspapers. If the marketing act had been dealt with in accordance with the facts and the real significance of its provisions made known as they were applied by the various provinces in their domestic proceedings as compared with export and interprovincial business, I cannot conceive how the judgment could have been written as reported in the newspapers, and I say this with reserve as to the judgment being modified by other paragraphs that were not cabled. If the question of hours of labour and the question of wages, to which the hon. gentleman has referred, had been dealt with on the basis of privy council proceedings in the aeronautics and radio cases, we could not have had a conclusion of that sort. Unfortunately we have now a mass of opinions which are not judgments, and which have arisen because of the method of presenting the cases for consideration. The Lemieux Act is the outstanding and striking example of legislation of this parliament which in a concrete case was declared to be invalid but

which had been acted upon by general acceptance very beneficially over a period of about twenty years until the judgment of the privy council was rendered.

One step more. There was also this anomaly, that you had a government providing for the support of the validity of legislation which it had denounced as invalid when it was passed. Had a case been permitted to proceed to the courts you would not have had that anomaly. Had it gone to litigation you would not have had that anomaly. You would not have had the government of to-day that bitterly opposed and denounced the legislation endeavouring to support it in the manner in which it did in London. I had only reached London and made inquiries when I was told that never in the history of our time had any case been presented so inadequately.

Mr. DUNNING: That is not fair.

Mr. BENNETT: That is the opinion which prevailed, for reasons that I shall give before I conclude.

Mr. LAPOINTE (Quebec East): My right hon. friend said otherwise last year.

Mr. BENNETT: The chief justice of the supreme court of Ontario who presented the case before the supreme court here did not present it in London.

Mr. LAPOINTE (Quebec East): Mr. St. Laurent did.

Mr. BENNETT: He presented only one case. The others were presented by another gentleman, an eminent lawyer, but constitutional lawyers are very few in Canada. The most eminent of them, by common consent, is a resident of Toronto, and the gentleman who presides over the supreme court of Ontario was another. Unfortunately you cannot acquire, in a week or two weeks or a month, a knowledge of all the decisions and of all the trends and tendencies in connection with the interpretation of the British North America Act. It is a long progressive study, and all you have to do is to read the judgments of the privy council and see the counsel who in succeeding years have presented the cases to realize how sound that statement is. It is not any reflection upon the capacity of anyone.

Mr. LAPOINTE (Quebec East): It is.

Mr. BENNETT: The reflection is upon their lack of training in that particular class of work.

[Mr. Bennett.]

Mr. LAPOINTE (Quebec East): I am sorry my right hon. friend says that.

Mr. BENNETT: I go further. I say that the Department of Justice was not heard at all on that reference. They had counsel there. Did he speak? Why not?

Mr. LAPOINTE (Quebec East): They arranged it among themselves.

Mr. BENNETT: The answer is known to me. He would have to contradict the submission of his leader.

Mr. LAPOINTE (Quebec East): No.

Mr. BENNETT: Yes, sir, that is exactly the fact, if you want to know the way in which these cases were handled.

Mr. LAPOINTE (Quebec East): I think this is gossip my right hon. friend may have heard. It is not fair at all.

Mr. BENNETT: It is not gossip. Has my hon. friend read the arguments?

Mr. LAPOINTE (Quebec East): Yes.

Mr. BENNETT: The arguments were reported in part in the London Times. I have not seen them in detail.

Mr. LAPOINTE (Quebec East): I think my right hon. friend will be sorry for these statements.

Mr. BENNETT: I cannot be sorry for them; I know them to be accurate, and what is more it is the considered opinion of those who are able to express adequate opinions. It is not the first time that has happened and it will not be the last. You cannot project a counsel, however eminent, into a constitutional case without any training in constitutional matters. That is obvious, I think, to everyone. I propose at a proper time to discuss the question of these judgments when they are available.

Mr. LAPOINTE (Quebec East): We shall all do it.

Mr. BENNETT: We shall all do it, I hope, but it is not going to change two essential facts. One is that prior to the judgments in the aeronautics and radio cases there was no suggestion, after the decision of the supreme court, that we had any jurisdiction to deal with these matters, but in those judgments—

Mr. DUNNING: They were not judgments, my right hon. friend said.

Mr. BENNETT: Well, opinions, I should have said. I thank the hon. gentleman, the learned counsel—

Mr. DUNNING: My right hon. friend cannot have it both ways.

Mr. BENNETT: No one suggests he wants it both ways. After the expression of those opinions there was an entirely modified view with respect to our power, a view which was acted upon and believed to be sound, and when we read the decision we shall know whether it is or not. I do not know how far the decision does go. That, however, is the position. But for those judgments the legislation would not have been submitted to this parliament.

But, worse still, by reason of these statutes being submitted, not as concrete cases but as hypothetical ones, we have now an expression of opinion as reported in the press that is a complete reversal of the radio and aeronautics cases, and we have the creation of sovereignties in provinces with respect to our international obligations wholly at variance with anything that has been heretofore understood. That, I think, cannot be denied by anyone. That is the reason why I believe we should discuss the matter in the light of the exact judgments themselves.

I trust that the hon. member for Rosetown-Biggar (Mr. Coldwell) will withdraw his motion for the reason I suggested the other day, namely, that we should have a conference, as was indicated by the hon. member for St. Lawrence-St. George (Mr. Cahan) and by the hon. member for Selkirk (Mr. Thorson).

The nature of the amendments that have to be made is one issue. The willingness to make them is another. The reasons given by the hon. member for Selkirk as to the necessity for their being made seem to me to be completely unanswerable. As to the method to be employed, I think the method we have of a joint address could probably not be changed very readily in this country. As to how to arrive at the questions to be considered, I think that can be done only after careful consideration with the provincial authorities. I say this to the Minister of Justice, that we had to deal with an extremely difficult matter, the question of the preparation of a section of the Westminster act dealing with Canada, and we had a conference in this city of representatives of all the provinces. We met at ten o'clock in the morning; they went away the next day; and, as I said the other day, their initials are upon the amendment that was agreed to, upon the document which is now in the archives of this country, because we had placed before them our idea as to what the proposals should be, and after a conference with them we were able in a very short time to arrive at a solution of our difficulties. I believe that what was said by the hon. member for St. Lawrence-St. George, coupled with what has been said by the hon. member for Selkirk, indicates a method of dealing with this situation which would not take too long a time but rather would enable speedy adjustment of our difficulties to be had.

As I have said, I shall hope that an opportunity may arise to discuss these judgments in the light of their entire text and not of a part of it.

Mr. M. J. COLDWELL (Rosetown-Biggar): I feel that to a very large extent the purpose of placing the motion on the order paper has been fulfilled, both by the discussion which occurred last Tuesday and by that which has taken place to-day. The motion was placed on the order paper entirely from a layman's point of view. I am not so much interested—and I think there are many members of the house in the same position as myself—in the constitutional and legal aspects of this particular problem as in the social and the economic situation which has to be dealt with and remedied. And I take it that although we have had decisions from the privy council, those decisions may serve an added and a good purpose in that they must focus the attention both of this parliament and of the people of Canada upon the grave condition with which we are confronted.

Perhaps the Minister of Justice (Mr. Lapointe) this afternoon misunderstood some of the remarks which I made. I said, for example, that in my opinion the will of the people as expressed by parliament must prevail. I did not say, nor did I intend to have it inferred, that the will of this parliament ought to prevail over the rights of the provinces, whatever they may be. In my opinion —and I think it is the general opinion in this house—in the event of the provinces placing in the hands of this parliament any jurisdiction which formerly belonged to them, this would be done partly of necessity and wholly of their own volition. That is fundamental.

I also referred, and the minister referred, to the Statute of Westminster. I alluded to it as evidence that the self-governing dominions were now regarded as coequal partners in the British commonwealth of nations. I did not mean to convey that in any respect I thought the Statute of Westminster gave us the right or the power to override provincial rights and provincial jurisdiction. It is true that an assumption of power by either the dominion

or a province does not give that power, and I do not think this parliament should assume power which it does not have. But it seems to me that the time has arrived when greater powers must be given to someone to secure at least some measure of uniformity in social legislation in this dominion and as between the provinces. The sovereign power of the provinces was not denied by any of us this afternoon; indeed we recognized it, and my reference by way of illustration to the unitary system of legislative union in Great Britain and to the necessity there of a certain devolution or handing over of power to some local authority, such as the counties, does not mean that we should infer that the provinces have no greater status in our dominion than have the counties in England. I do not hold that view at all.

The minister told us that a committee of parliament would not suffice. I submit that if the government has an alternate proposal to place before this house, parliament and the country should be taken into the confidence of the government at an early date, because I can assure hon. members that not only in the industrial centres are such questions being asked as those to which the hon. member for Winnipeg North Centre (Mr. Woodsworth) and other members have referred, but in the rural areas, at least of western Canada, there is a great deal of misgiving and of unrest regarding the position of the marketing act, and also of the wheat board, which did not come under that act but nevertheless is, in the public mind closely allied to the question of orderly marketing.

Mr. VIEN: Why should not each province in turn, within its own jurisdiction and territory, assume these duties?

Mr. COLDWELL: I shall deal with that in a moment. The hon. member for Selkirk (Mr. Thorson) answered that question adequately when he pointed out that, altogether apart from other difficulties, a province legislating with regard, for example, to hours of labour and wages might find itself at a grave disadvantage in comparison with provinces which were, shall I say, more backward and would not legislate along those lines. I regard the method of individual provinces legislating in social matters of that description as cumbersome and quite ineffective, and I do not believe we shall be able to find satisfactory solutions to the problems which confront us if we rely upon that particular method of procedure.

[Mr. Coldwell.]

Mr. VIEN: May not conditions be very different in various sections of the country? And how could one section impose its own viewpoint in the light of its own particular interests upon other sections of the country whose interests may be very different?

Mr. COLDWELL: I can quite understand the question, and I think the answer is this. In a country as large as Canada conditions of necessity must differ in various provinces; there are diverse conditions. But I submit that it is quite possible for a government to lay down regional regulations which would meet the situation in the various regions with widely dissimilar conditions. When you speak of minimum wages and so on you need not apply those minimum wages in the same form in provinces with varying costs of living.

Mr. VIEN: The same is true of hours of labour.

Mr. COLDWELL: You need not apply the hours of labour to industries in precisely the same manner. For example, take agriculture. We speak industrially of an eight hour day, but in agriculture there are certain seasons of the year when the hours of labour must be longer than eight hours, and in legislation of the type to which I refer certain exceptions, certain regional difficulties can quite well be met; at least that is my opinion.

The Minister of Labour (Mr. Rogers) considered the resolution inopportune and somewhat objectionable at the present time, but I would reply by stating that the resolution was quite opportune inasmuch as it was placed on the order paper without a knowledge of the fact that the privy council decisions would be down before the resolution was discussed. In my opinion it has served the purpose of bringing at least certain aspects of these decisions before the House of Commons at this time.

We are told that parliament ought to have jurisdiction only through cooperation and consultation between the dominion and the provinces. I believe, of course, that position is sound. Before I sit down, however, I should like again to refer to the speech of the hon. member for Selkirk. I took a number of notes when the Minister of Labour was speaking and I intended to reply step by step to certain of his remarks as he made them; but the hon. member for Selkirk demolished the minister's case entirely in a comparatively few words, and I would advise the minister to study that answer to-morrow morning. The hon. member for Selkirk, in my opinion, made the position clear. If there is no power in

this parliament to regulate or control industry and if that power is vested in the provinces, how real is that power? There is the crux of the situation as it faces this parliament and the dominion to-day. He pointed out that industry would boycott a province which was more progressive in these matters than other provinces. In other words, the pace of progress in Canada would be regulated by the most backward and reactionary of the provinces, whichever that province at a given time might be.

It has been suggested to me that the resolution setting up this committee might result simply in a recommendation for the presentation of an address from both houses of parliament and that this recommendation might cover the situation at the moment. I am not going to withdraw the resolution, because I do not believe the government have placed before the house any indication that they have any other plan in mind. They have not told us that they are calling an interprovincial conference or even suggesting that that should be done, and therefore, in my opinion, the resolution should stand.

Motion (Mr. Coldwell) negatived on division.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Tuesday, February 2, 1937

The house met at three o'clock.

THE LATE HERBERT EARL WILTON

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, yesterday afternoon I crossed the floor of the house to express to the right hon. the leader of the opposition (Mr. Bennett) and the hon. member for St. Antoine-Westmount (Mr. White) my thanks and those of my colleagues for their expressions of sympathy on the loss which we and our party had sustained in the death of a much revered member of this house, the Hon. Charles Marcil. While talking with my right hon, friend he handed me a communication he had just received from the press gallery informing him that only an hour or two before one of his own supporters Mr. Herbert Wilton, the member for Hamilton West, had passed away. This word was the more startling in that as late as Friday of last week Mr. Wilton had taken part in one of the debates of this house. I rise to express to my right hon. friend and to those who sit about him the sincere sympathy of all hon. members on this side of the house in the loss they have sustained. Mr. Wilton had been in the house only a short time. He was returned at the last general election and as a consequence had been here for less than a year. His election at the age of sixty-seven years to represent the city of Hamilton must have been in part a recognition of the public services which for several years he had rendered in the civic affairs of that city, first as alderman and subsequently as mayor. It was evidence as well of appreciation on the part of his fellow citizens of his public spirit as disclosed in the many activities with which at one time or another his life was concerned.

Having been for so short a time a member of this house many of us did not have the privilege of more than a passing acquaintance with Mr. Wilton. However we had the opportunity of hearing him speak on several occasions, and I believe the impression he left on all hon. members was that he was a man not only of pleasant personality, but of high purpose and one who had sincerely at heart the interests of his fellow men. He leaves behind a wife and several children. I am sure the sympathy of this house in the fullest measure will go out to all who have been so suddenly and so greatly bereaved. Again may I express to hon. gentlemen opposite the deep sympathy we feel for them in their loss.

Right Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, on behalf of those who are associated with me, as well as for myself, I wish to express our grateful appreciation of the kind and sympathetic words spoken by the Prime Minister (Mr. Mackenzie King), in his capacity as leader of the House of Commons, concerning the loss we have sustained in the passing of one of our numbers.

I can add little to what has been said by the leader of the government. Mr. Wilton was first known to me last year when he was a candidate for Hamilton West. I learned that he had touched the life of his community at many points. He had been a journalist, which is the kindergarten and high school—very often the university—from which the men who come to this house graduate. He had been a telegrapher and more latterly had been interested in business in a larger way. He had served his city as alderman and had been an enterprising and devoted mayor. Many desirable improvements were made in the city of Hamilton through his initiative. Mr. Wilton was of a most friendly disposition; he was kind and considerate, and most thoughtful of others. Perhaps that fact,

together with the long years of faithful service he had rendered to his fellow citizens, enabled him to survive the deluge of 1935.

We will miss him greatly, not only because of his friendly and kindly disposition but because he possessed what is characteristic of so many of his type, common sense. He had sound judgment and a keen appreciation of public opinion. The people of Hamilton will mourn one who was their friend, and those who have known difficulties and trouble will sorrow greatly because of his passing. We will miss his sterling sense. I recall not long since reading what a great man said respecting a statesman of his day who had not had the benefits of academic training, but who was regarded in his own country as one of the foremost men of his time. This distinguished commentator said: "I would rather have half an hour of his common sense expression of opinion on the problems of my country than the considered opinion of many others for long periods of time." Mr. Wilton was to us not only a valued colleague, not only a friend, but one whose common sense could be said to be a cross-section of the great community in which he lived. His loyalty to Hamilton was perhaps his distinguishing characteristic, and his willingness to help that community in any possible way was always manifest.

We are reminded that in the midst of life we are in death; for it was only on Friday last that Mr. Wilton was in this chamber, and now he has passed from us. I am sure that his wife and children will read with satisfaction and pleasure, tempered of course by their great sorrow, of the fact that in the chamber in which he served so short a time he had made so many friends, and that he merited the views expressed by the right hon. the Prime Minister in the statement which he has made to-day. As our expression of the sense of loss we have sustained is conveyed to the bereaved they will have the assurance of our recognition that he who now has gone from us made some contribution in this chamber to the public life of the country he loved so well.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker, the late Mr. Wilton did not belong to our group, but he sat in close proximity to us, and I sometimes think that proximity is a rather severe test of a man's qualities. I feel that in the short period he was in the house he revealed himself to us as being friendly and kind. I can think of no other words that would better describe him. We join with the Prime Minister (Mr. Mackenzie King) in tendering to his wife and children our very deep sympathy in what must have been to them the very great shock of his sudden demise.

[Mr. Bennett.]

Mr. J. H. BLACKMORE (Lethbridge): Mr. Speaker, during the short time the late Mr. Wilton was in the house he impressed me as being calm, sane, open-minded and progressive. We cannot but regret the loss to us and to those who loved him. May we join our voices to those who have spoken already in his honour.

CRIMINAL CODE

PROPOSED ABOLITION OF HANGING AS DEATH PENALTY—APPOINTMENT OF SPECIAL COMMITTEE

Hon. ERNEST LAPOINTE (Minister of Justice): Mr. Speaker, by leave of the house, I move, seconded by Mr. Elliott (Middlesex):

That pursuant to the motion passed by the house on January 28, the special committee thereby appointed to study the subject matter of Bill No. 6, intituled an act to amend the criminal code, be composed of the following members, namely, Messrs. Barber, Bertrand (Laurier), Blair, Clarke (Rosedale), Girouard, Hall, Hamilton, Howden, Hyndman, Macphail (Miss), McCulloch, McIntosh, McPhee, O'Neill, Plaxton, Raymond, Sinclair, Taylor (Nanaimo), and Veniot, and that standing order 65 be suspended in relation thereto.

Motion agreed to.

ELECTIONS AND FRANCHISE

INSTRUCTION TO SPECIAL COMMITTEE TO STUDY AND REPORT ON METHODS OF EFFECTING REDISTRIBUTION

Hon. ERNEST LAPOINTE (Minister of Justice) moved:

That the special committee appointed to study the Dominion Elections Act, 1934, and amendments thereto, and the Dominion Franchise Act, 1934, and amendments thereto, be instructed to study and make report on the methods used to effect a redistribution of electoral districts in Canada and in other countries and to make suggestions to the house in connection therewith.

Mr. JEAN FRANÇOIS POULIOT (Témiscouata) (Translation): Mr. Speaker, the question to be considered is the redistribution made in 1933 of the electoral districts of Canada. I should like to make a gift to the library of the House of Commons of a report on all the federal redistributions effected in the province of Quebec between 1853 and 1933. This report contains, first, a list of the 16 counties in which no change for federal purposes was made during that period. Then, a list of former constituencies, to the number of five, which are to-day joined to other electoral districts but which had not been altered since 1853. The next list covers six constituencies in which alterations made as a matter of form only, left the former boundaries intact. The next one comprises two

constituencies enlarged by additions of territory. Then there is a list of fifteen united constituencies. Between 1853 and 1933 three constituencies were given a new name. Six new constituencies were formed outside the urban districts. The report also contains a summary of the changes made in former boundaries of constituencies and a statement giving in slightly greater detail the changes effected at each redistribution. There is appended to it Act 16, Chapter 152, a bill introduced by Hon. Augustin Norbert Morin, on October 1, 1852, to increase popular representation in parliament.

In order to realize the effects of the redistribution of 1933 it is essential to trace the history of each redistribution in each district from 1853 to the present day. The act of 1853 was reproduced in the statutes of 1860 and, in addition to the documents already mentioned, there is the complete text of the description of each electoral district, the original description of each district as given in the act of 1860, and the complete text of all subsequent changes up to 1933. There is also a list of the changes made in the electoral districts of Quebec from 1860 to 1903. That is the first part of the report.

The second part gives the history of each redistribution from 1860 on, together with a table showing all the electoral districts of the province of Quebec in 1860 and the description of each one as it appears in the statute of 1860. It will be found on examination that in some cases there has been no change from 1853 to 1933.

After the statute of 1860 we come to the first Conservative gerrymander, in 1872, in which changes were made in three ridings. The art was then in its infancy. Later on, under Sir John Macdonald's administration, a second gerrymander was carried out in 1882 by the statute 45 Victoria, chapter 3, which altered the boundaries of six constituencies.

We come now to 1892 and 1893, when the Conservative party, which was at death's door, effected a shameful readjustment of seats both in Quebec and in Ontario. It was a real electoral orgy. The boundaries of 23 ridings were completely altered by removing Liberal parishes from counties to which they had belonged since 1860 and replacing them by Conservative parishes, in order to create Conservative strongholds in Quebec. It is when passing judgment on this shameful legislation of a dying and rotten government which sought to change the electoral boundaries of the old provinces of Ontario, Quebec and the maritimes that Sir Wilfrid Laurier stated on April 29, 1892, on page 1862 of Hansard: "That is a gerrymander with a vengeance."

We now come to 1903. The only alterations the Laurier government made in that year to the gerrymander of 1892 and 1893 consisted in putting back the old parishes in the electoral districts from which they should never have been removed.

In 1914, under the Borden administration, seven constituencies were reunited, one was divided, changes were made in five others, new boundaries were fixed for six ridings and twelve new electoral districts were created in Montreal.

In 1924, the government then headed by our present Prime Minister (Mr. Mackenzie King) took steps to have the boundaries of the eighty-year-old federal districts respected. This necessarily involved a rectification of the new provincial subdivisions created in 1922.

We then come to the shameful redistribution of 1933, which did not give the results expected of it by the Tory government of the day which was swept away in the province of Quebec. The important thing, sir, is to have a table showing the population of each electoral district before and after the gerrymander of 1933. I have such a table here, and I add it to the report which I now hand to the clerk with the request that he submit it to the proper person and have it kept in the records of the House of Commons in case it might prove useful.

Motion agreed to.

COMPANIES ACTS

COMMITTEE OF DOMINION AND PROVINCIAL OFFICIALS TO CONSIDER AMENDMENTS NECESSARY TO UNIFORMITY

On the orders of the day:

Mr. THOMAS VIEN (Outremont): Mr. Speaker, in November last a conference was held between representatives of the federal and provincial authorities on the question of bringing about a greater uniformity between dominion and provincial companies acts. I should like to ask the hon. the Secretary of State (Mr. Rinfret) if it is the intention of the government to table a report of the findings of that conference.

Hon. FERNAND RINFRET (Secretary of State): Mr. Speaker, I must thank my hon. friend for being kind enough to give me notice of his question. In the course of a recent debate the hon. member for Kootenay East (Mr. Stevens) also alluded to this matter. I may say that it is not the intention of the government this session to table an official report of the conference, which has not completed its work, but I have

here a few notes which it may be of interest to place on record, if the house will permit.

Following a resolution unanimously adopted at the last dominion-provincial conference the Secretary of State convened a committee of officials of the dominion and the provinces to prepare a draft of a new companies act or of amendments to the present act for the purpose of endeavouring to secure uniform laws dealing with companies throughout Canada. The first meeting of this committee was held at Ottawa, November 3, to November 7, 1936. There were present representatives of various departments of the dominion government and representatives of governments of eight of the provinces. British Columbia did not find it possible to have a representative present at the time selected for the meeting, but it is expected that the province will be represented at future meetings.

The committee made excellent progress in a preliminary study of the questions, and the representatives have submitted reports to their respective governments. Subcommittees were set up to deal with particular branches of the subject. Some of these subcommittees have already had meetings to prepare their reports for the consideration of the committee, and others are expected to meet during the next few months. It is hoped that these subcommittees will be able to report to a subsequent committee meeting which will be held during the coming summer or early in the autumn.

The committee reviewed very carefully the prospectus sections of the present Dominion Companies Act and decided to recommend the adoption of prospectus sections which are based very largely on those in the present dominion act. Since the amendments suggested by the committee in regard to the prospectus sections dealt largely with form and not with the substance of these sections, I have not considered it necessary to recommend amending legislation at this session of parliament. It appears possible that the committee, at its next general meeting, may make such further progress as to enable it to submit to the government a draft bill which would deal with other important provisions of the present act, and which might involve a general revision of the act.

In addition to dealing with the question of proposed legislation, the committee has been able to make substantial progress in arranging for a better exchange of information on questions of administration not only of the companies acts but also of the securities acts of the provinces.

[Mr Rinfret.]

Right Hon. R. B. BENNETT (Leader of the Opposition): I was interested in the statement made by the Secretary of State (Mr. Rinfret). It will be recalled that the late government, with the aid of Mr. Fraser of Toronto, prepared a draft companies act which was circulated amongst all the provinces because they had agreed to a uniform companies act. The question at issue, which was not settled, was whether or not incorporation should be by letters patent or by what is the equivalent in a very limited sense of letters patent, under the seal of the Secretary of State, or by memorandum and articles of association. The statement made by the minister did not seem to cover that phase of the matter, or what has been done in consequence of the previous agreement to have a uniform act and the steps taken in that regard by the Secretary of State, who engaged Mr. Fraser of Toronto to assist in it.

Mr. RINFRET: No mention was made of that work at the conference last fall, of which I have given a very much summarized report. I thank my right hon. friend, however, for the remarks he has just made, and will take note of them.

Hon. C. H. CAHAN (St. Lawrence-St. George): I may say that the various provincial governments refused to agree upon any amendments such as those proposed. British Columbia, as I have stated in the house, refused to agree because they wished to retain their present form of act, which was drafted in accordance with the English companies act. Nova Scotia took the same ground. The government of Quebec said that they were not prepared to accept incorporation by letters patent because they believed that, under a decision of the judicial committee of the privy council, a grant of incorporation by exercising the prerogative right of the crown, which was then vested in the lieutenant governor, gave the companies so incorporated powers far beyond those which could be created by legislation in the province of Quebec. So that there was no unanimous consent by the provinces, with the result that I went ahead and made my own draft and placed before this house an almost entirely new companies act which was accepted and passed by the house and the senate and became law.

FINANCIAL ASSISTANCE TO MANITOBA

On the orders of the day:

Mr. J. A. GLEN (Marquette): Is the government in a position to make a statement regarding the request of the Manitoba government for financial assistance?

Hon. CHARLES A. DUNNING (Minister of Finance): I do not think any good purpose would be served by a statement at the moment, which could not go further than the statement made by the premier of Manitoba a few days ago.

GOLD CLAUSE OBLIGATIONS

DECISION OF HOUSE OF LORDS RESPECTING PAYMENT OF BONDS IN CURRENCY OF COUNTRY OF PAYEE

On the orders of the day:

Hon. C. H. CAHAN (St. Lawrence-St. George): Will the Prime Minister inform us whether the government has received a complete copy of the recent decision of the House of Lords, which is briefly mentioned in the press, relating to the payment, in the currency of the country of the payee, of bonds expressed to be payable in gold, and if so, will he be so kind as to lay a copy upon the table of the house?

Mr. POULIOT: Is it a decision, or just an opinion?

Mr. MACKENZIE KING: Perhaps my colleague the Minister of Justice (Mr. Lapointe) had better answer that question.

Hon. ERNEST LAPOINTE (Minister of Justice): We are expecting the text of the decision on the first boat coming from Great Britain.

SALES TAX ON FLOWERS

On the orders of the day:

Mr. GORDON GRAYDON (Peel): Would the Minister of Finance (Mr. Dunning) care to indicate whether the government is giving consideration to the removal of the sales tax on cut flowers and other horticultural products?

Hon. CHARLES A. DUNNING (Minister of Finance): I am sorry that it is quite impossible for the government to give any indication prior to the budget with respect to taxation proposals or the consideration of them.

HOME IMPROVEMENT LOANS

PROVISION TO ENCOURAGE REPAIR OF RURAL AND URBAN DWELLINGS

Hon. CHARLES A. DUNNING (Minister of Finance) moved the second reading of Bill No. 11, to increase employment by encouraging the repair of rural and urban homes.

He said: I need add little on the motion for second reading to the information which I placed before the house when the financial resolution which preceded the introduction of the bill was under consideration. It will be much more convenient to take up the details in committee of the whole, and I hope the house will soon move to that stage in order that we may go into the proposal in detail.

In the meantime I desire to indicate that while of necessity the guarantees will be administered by the Department of Finance, the organization of the cooperative community effort which is necessary if the objective is to be attained will be, and in fact is, in the hands of the National Employment Commission, which reports to my colleague the Minister of Labour (Mr. Rogers). It is because this function is all-important in relation to the attainment of the objective that I devote a few minutes to it.

In brief, the commission has undertaken to put steam behind the plan. This involves arranging publicity to make the Canadian public home-repair conscious and to explain the plan to all concerned. The publicity takes the form of distribution of booklets, which have already had quite a wide distribution; newspaper advertising, radio broadcasting, and public addresses. Much work along these lines has already been done, and the success evident during the first two months' operation is an indication that results are beginning to accrue. I should point out in this connection that the costs involved in the publicity campaign will be financed not by government moneys but by private funds raised from public-spirited citizens and business interests who expect to benefit from the expenditure involved.

I believe the organization of provincial committees has now been almost completed by the employment commission. There will also be local advisory committees in every community to stimulate home improvement activity, to afford every encouragement and information to prospective borrowers, and to interest local participating industries and business groups. A vital point which is being taken up vigorously by these local committees is the matter which was mentioned the other day during the discussion on the financial resolution, that of the increase in assessment which normally would occur in a community when home improvement had been undertaken according to the plan. The dominion government stated, in announcing the plan originally, that it deemed it to be essential that local efforts should ensure that the home improvement plan should not be frustrated as a creator of employment by increased tax assessments. In all parts of Canada local committees are dealing with that phase of the matter, either with their municipalities, where the municipalities have power

to deal with it, or by making, in respect thereto appropriate representations to the provincial governments.

The point I am making is that this is a genuine national community effort. It is not in any sense of a partisan political character, and in that respect I was particularly appreciative of the remarks of the hon. member for Kootenay West (Mr. Esling) the other day. I think it may be said that all these local and provincial committees throughout the dominion are doing their best in a community effort regardless of whether they are Liberals, Conservatives, Labour men, members of the Cooperative Commonwealth Federation or Social Crediters. That is the spirit which the employment commission found had made such a success of a similar plan in the United States. I only desire to say at this stage that there is every evidence that the community effort now being put forth across Canada will, ere the spring months, produce a very considerable volume of much-needed employment and in a manner tending to make more comfortable the living conditions of our people.

Mr. T. L. CHURCH (Broadview): I wish to say a few words on the second reading of this bill as it affects the industrial workers of Canada. I ask the government: When the seed planted by this particular type of Purvis bill has reached its maturity, what will the harvest be? The harvest will be reaped by the taxpayers of Canada and the harvest will not be in the forms of crops which will fill their barns but in the form of taxes which will empty their pockets.

Under the rules of the house the time to discuss the principle of a bill is on its second reading. The rules provide that when a bill is read the second time the house approves the principle of it. The minister's cry—and it is the cry of all ministers—is, "Wait until you get into committee." That is the cry they always make; we must wait until we get into committee before we can get any information. Well, the industrial workers of Canada will wait until doomsday before they get any relief from this Bill No. 11, or from Mr. Purvis, the head of the duPont dynasty in Canada, who has been selected after many years of travel to take charge of this matter. He travelled around the world from 1912 to 1923; he went to South America, and during the war years he was in South America and the United States. Then in 1923 he came to this country, to the city of Montreal, and is now head of all these large industries. There are two of the largest of them in my riding. He supported the late government in by-elections and in the general election, and what was the battle-cry which you could find on the bill boards in different parts of the country? It was this: "Return the government to power and the industrial worker will see the end of unemployment; he will see slums abolished; he will see a housing scheme put into operation," and protection for industrial workers, and so on and so on.

The principle of this bill is not new by any means; I have called the attention of the house myself to it fifteen or twenty times the past three years. The unemployment that exists in Canada to-day has not, however, been remedied to any extent by the Minister of Labour and the professors of universities who have been appointed to these commissions and have staffed them from beginning to end. As a matter of fact, as far as the Minister of Labour is concerned we might as well go home, because this is only a mock parliament to-day. The government have appointed so many commissions that parliament has abrogated its powers under the British North America Act to a commission government behind the scenes. I have here the report of the committee of labour and education of the United States which investigated unemployment in 1928 and 1929 and which was presided over by the late Mr. Couzens, the great mayor of Detroit and governor of Michigan, as well as senator, who did so much for the relief of unemployment and in connection with housing in the United States. The bill which is now before us is based entirely on this report of President Roosevelt's new deal, recommending what is known as the home-owners' legislation. How has that legislation worked out in the United States? Look at the Evening Telegram of Toronto—last night's Telegram—and see for yourselves the condition of affairs in Milwaukee. You will see the result there.

This is not something new, as one hon. gentleman suggested last Friday; it was before the housing committee two years ago in 1935, and I moved a motion in connection with housing and the question of slums, especially as it relates to our industrial workers and a committee of the house sat three months and made a report. That committee went into the subject and now we have before us this particular bill. Now, you cannot on the second reading of a bill go into any discussion of individual clauses but can refer to them, and I do not intend to do so, but I wish to offer two or three observations with respect to the principle of the bill as I see it. In the first place, parliament's powers have been taken away and given to a Purvis academic commission, which has announced an expenditure of $50,000,000. I

believe that appears in the bill as the limit, but that is not what we learn from other quarters. Last Friday there appeared a whole page picture in the Toronto evening papers of some fifteen gentlemen chosen as a commission to administer the bill—and this before parliament ever heard of the bill—from the publicity agent of Mr. Purvis. Mr. Purvis, whom the government seems to regard as omnipotent, has announced a policy which it is said will run into something like $200,000,000 according to the said papers. Along with this announcement there appeared, as I say, a picture of these twelve gentlemen good and true for Ontario, and it looked almost like a Liberal campaign fund. The other day I moved for an order of the house with respect to loans in the city of Toronto under this act and the reply given yesterday was that $103,000 to the end of 1936, was all that had been spent in Toronto.

Mr. DUNNING: That is in two months.

Mr. CHURCH: There have been 274 small loans a total of $103,000. The industrial workers comprise fifty-one per cent of the taxpayers and they have been driven out of their homes by high taxes, foreclosures, and the lack of protection of their equity, because it is no use asking the industrial worker to go to the bank and sign a note. I have been in banks every day and have never yet seen an industrial worker in one; he cannot afford to go to a bank. He has lost his equity and property. His property has been taken from him by foreclosure and nothing is done for him. There is protection under the Farmers' Creditors Arrangement Act for the fisherman and for the farmer. If the farmer or fisherman loses his home he can take advantage of the Farmers' Creditors Arrangement Act and get a loan, paying a low rate of interest. But how is the industrial worker treated? Last session the hon. member for St. Mary (Mr. Deslauriers) brought before the house a motion with regard to the industrial worker and the government promised a study of it all. The hon. member for Parkdale (Mr. Spence) spoke on it; he comes from an industrial riding and knows a great deal about real estate conditions in Toronto. Under present conditions in this country nobody wants to hold or own real estate in the cities and towns. I venture to say lots of hon. members in this chamber would be glad to unload all the real estate they have on the federal government and on Mr. Purvis's commission, because the taxes take all the income and through no fault of the city are a rent in itself. The income tax was the field of the municipalities exclusively from the time of confederation until 1917, when the federal government came along and took it. It was to be just a temporary measure. Then along came the provinces, and now it is a triplicate tax in some parts; Ontario has taken the income tax as a province. A million dollars has been deducted off relief in Toronto alone. The city used to get $2,600,000 from the income tax, but it has been taken away by act of the provincial parliament and they deduct that $860,000. That tax went far to enable municipalities to pay their way and maintain municipal services without government aid. Now where will that burden fall? The whole $2,600,000 will fall on real estate, in Toronto and in other cities such as Ottawa, Montreal, Hamilton, London, Winnipeg and the rest, a proportionate amount.

This bill is faulty for another reason. The Ontario Assessment Act will not permit the exemption of the improvements covered by this bill. It is all very well to promise relief, but the assessment act provides for the assessment of buildings and improvements. The Mayor of Hamilton a great and able executive attacked this piece of legislation when it was announced with a great flourish of brass bands and waving of flags last September. He said he doubted its usefulness. He said he did not believe in it, that it was not practicable, that the remedy was worse than the disease it professed to cure. Mr. Hepburn attacked the proposal also, on account of the high interest rates and charges. It is very high for an industrial worker who is out of work to have to pay. He cannot even pay his taxes or insurance which are almost confiscatory in the cities and towns, and in consequence arrears of taxes are piling up through no fault of the municipalities. Does any hon. member know anyone who wants now to invest in or to own real estate, with its accompanying burden of federal and provincial taxes loaded on to municipal taxes illegally? I know hundreds of people who would be glad to part with their real estate. The assessment act cannot be evaded in this way at the call of Mr. Purvis.

The committee of 1935 on housing had this matter before it, and it was proposed—I think the present Postmaster General (Mr. Elliott) suggested it—that the Ontario legislature, which was to close within a week, should be urged to exempt from taxation these repair improvements, such as new plumbing, new verandah, new roof, new floor, and the modern conveniences which should be in every home. The city of Toronto took up the matter of home improvement and got separate legislation from the province to compel the owners of such property, which included the Synod of Toronto, to clean up their property and put in plumbing and modern conveniences.

They were given power to make loans up to $50 or $100 a house to clean up conditions which needed improvement, similar to the principle of this bill. The province of Ontario has recently announced a new housing and slum clearance policy as set out in the legislature by the provincial minister of labour. As far as the building trades are concerned, in to-day's issue of the Globe and Mail it is stated that in Toronto alone the value of building permits for 1936 was $8,114,000, while for Montreal it was $6,905,000. There is a large amount of building going on in the northern, eastern and western part of Toronto at the present time. All winter they have been building dwellings, many of them duplexes. How are they going to compete with this particular type of spoon-fed legislation? There are to-day altogether too many burdens and artificial barriers obstructing and placed on business, with the result that we have the taxation situation that now exists which is prohibitive and one of the main causes of unemployment. It is almost too late now to go into this proposition. I am not opposed to federal aid towards lowering interest rates and building, bank, and loan and insurance rates, but some of the legislation passed by this parliament last session is the direct antithesis of this bill. I had an order of the house passed for a return about these small loan companies in 1936, and it showed that their interest rates were as high as 35 and 42 per cent per annum. Names and figures will be found on page 2453 of Hansard of May 4 of last year.

This legislation in my opinion is going to be a glorious fiasco. If you go into a branch bank in any residential district in Toronto and ask the manager for a loan of $50 or $100 he cannot make it without reference to the inspector at head office. He cannot permit an overdraft of $100 without the authority of the inspector. When the housing committee had before it this matter as affecting the industrial workers we were laughed at because we proposed protection for all the people all the time and not for some of the people some of the time, when I proposed to give the industrial and suburban worker the same protection as the farmer and fisherman. Something should be done for the small home owners and the farmers who to-day are without proper conveniences. But these people, like the industrial workers, cannot get a dollar from the banks on a note. And what protection has the industrial borrower? The time limit of the loan under Bill 11 has been extended from one to five years in view of the criticism that has been forthcoming. That was included in a recommendation of the housing committee. There is a moratorium act in Ontario which does something to protect mortgages, and that is to be extended for another year. But when you sign a note at the bank there is no moratorium protection; they can get speedy judgment immediately on the note and take your property. Any real estate man knows that as soon as you do any improvement to your property up go the taxes and assessment under the Assessment Act, while you do not get much increase in rent. Everyone here knows the difficulty of making real estate carry itself these days.

The proposed plan has been largely advertised in Toronto but the harvest so far has been very small. Up to December 31, 1936, there have been 274 loans aggregating $103,330.27—note the 27 cents.

I may say in conclusion that the head of the commission is Mr. A. B. Purvis, President of Canadian Industries Limited, a man who is connected with the Bank of Montreal, the duPont dynasty, British American oil, the Bell Telephone Company and other concerns. He is the gentleman who is carrying on the work over his own signature, and those of the other members of the new board. Here we have a full tone picture—not a half-tone—in the newspaper. Here is a full-face view of this wonderful commission which, headed by its dynamic chairman, has taken over the administration of the work in the province of Ontario. I can say to that dynamic chairman that if parliament does not wake up and do something for the industrial workers, instead of spending days and weeks talking about international affairs, and if we do not devote more time to the betterment of the conditions of the industrial worker, then it will be that much worse for the people of Canada and the cause of order and good government.

When the price spreads and mass buying commission was sitting the conditions of white-collar workers were described. They have had the bailiffs in their homes, and under the present measure I can see very little help for them. In the United States not only the banks but the insurance companies, loan and mortgage companies came to the support of the industrial workers. Those insurance and loan companies made loans to a much greater extent than is being done in Canada. A short time ago, in 1935, I read of the good work the New York Life Insurance Company was doing at Gravesend beach, Brooklyn. Aside from the home owners' program of the Roosevelt administration, $25,000,000 is being supplied in Brooklyn to help build small homes for the working people there.

During the depression they estimate there were at least 60,000 people in the city of Toronto who moved into apartment houses. They had to give up their homes because they could not meet the mortgages. Many of those mortgages were foreclosed and the unfortunate people in several cases put out on the street; their goods and chattels, right down to the kitchen stove, were taken from them. Some of the shark loan companies which are charging forty-two per cent interest are putting people out on the city streets to-day. When it was proposed in the house that the banks and insurance, loan and mortgage companies should change their ways, did they do so? No; they came here to parliament with a body of the highest paid lawyers in Canada in 1934 and 1935, to oppose lower rates.

I do not wish to throw any more cold water on the bill, but I have very little faith in it. Here we have a man on one side of the street struggling to make ends meet, without any spoon-fed aid from parliament, trying to put a verandah and repairs on his house by doing some night work. The hon. member for Davenport (Mr. MacNicol) lives in the Earlscourt district of Toronto, composed largely of industrial workers. This is not a matter to laugh at; it is to the credit of the hon. member's constituency and himself. Once I represented it, and I can tell this house that that district was built up by hard working people who built their own log cabins, many of them 20 years ago, and their own houses after coming home at five o'clock from their work, and they are fine houses. I fail to see where the so-called increase in business under this bill is going to do very much for these people.

Hon. members talk about the Jameson raid in South Africa. Let me tell them that the Jameson raid was nothing when compared with the raid this parliament and provincial legislatures have made on the belated income taxes of the municipalities and took their income away. In the city of Toronto the municipality will sooner or later be forced to place $2,600,000 of income tax taken from them for the first time by force, on real estate. Who wants to own real estate under such conditions? It is said in Toronto that $876,000 income will be paid back. The provinces receive from this parliament seventy-five per cent of old age pensions. I say the federal parliament should collect its own income tax, and let the provinces shift for themselves and collect their own, and not act as an accessory. It was a retrograde movement when this parliament came along and attempted to take income taxation away from the municipalities. The government of that day, 1917, deprived the municipalities of taxation which they enjoyed from 1867 and which relieved the position of people holding real estate.

I have pleaded the case of the industrial worker, and I shall go no farther. The responsibility rests on the government of the day, so long as they hold that position, to go forward with a plan similar to that which has been advocated all over Ontario, namely a plan to relieve the industrial worker from confiscation, from losing his equity in his home, and from having his goods and chattels thrown out on the city streets, and to save and protect the municipalities of the province from these raids, which are contrary to the British North America Act.

The time has come for the minister to be up and doing in connection with these large insurance, loan and mortgage companies which have so much money set aside. A few years ago they had plenty of money to gamble with the premiums of their policy-holders on all kinds of common stock the world over, and they gambled instead of investing and allowing the poor industrial worker to obtain an easy loan at an easy rate of interest on a home in Canada. I see no reason why this bill should not go to a committee. If we are to have any parliamentary government, then here is a bill which should go to a housing committee, and reassert the supremacy of parliament over the Purvis way.

There is now a notice of motion on the order paper which, if accepted, would provide for a committee such as I have indicated. I have discussed the matter of housing and reconstruction in my motions for two sessions, and I am pleased to see that the hon. member for Greenwood (Mr. Massey) intends to carry the matter further. I hope his notice of motion will be discussed next Monday. The bill should be referred to a select committee before which industrial workers could be heard. Let the labour unions be heard and all parties thereto, and the municipalities. Let the trust companies and loan and insurance companies be brought here, and the banks. Let us hear from the shark loan companies. I shall name them: I will refer hon. members to page 2453 of Hansard for 1936 where they will find reference to the Central Finance Corporation. That company has just sent through the mail a leaflet stating what it does do for the industrial worker. How did those leaflets get into the mail? Then, there is the Personal Finance Corporation, and many other such companies.

If ever there was a bill which should go to a committee of the house, it is this one. We should know what the effect of the measure will be. We should know whether we would be justified in enacting it and how the rate of interest would work out; and we should

know the results of any housing efforts which have been so far made. Personally I believe they have not been a success. How would such a measure react in the way of taking taxation from the municipalities? We should investigate the relationship between real estate and Bill No. 11. We should look into the matter of taxes paid on real estate, and many other matters in this connection could be laid before parliament.

I have little faith in the assertion that good results would come from the bill. For about ten years I have considered the matter. I have looked into the evidence taken by the housing committee set up in 1929 by the United States, the Couzens committee, and the committee which I moved for two years ago, and have considered the effect of this type of legislation on the economic situation. The result of my research is the belief that the whole question and position of the industrial worker, his home and the equity in his property should go to a committee of the house to hear all sides of Bill No. 11. The problem is a most important one. We must relieve the holders of real estate in the municipalities, because if much more is loaded on them, municipal institutions in Canada will be automatically abolished by the raids of the provinces; and may be abolished by the arbitrary action of the provinces. Municipal institutions are at the parting of the ways, and I venture to say that before long if we impose many more of these regulations upon them, and take away their revenues, we will see a day when municipal institutions will cease to exist and a lot of useless provincial governments will take their place.

Mr. J. R. MacNICOL (Davenport): Mr. Speaker, before the bill is sent to a committee I should like to make a few observations. I listened carefully to the minister's statement, and some of his remarks made me feel that perhaps the bill will not be as valuable as I had hoped it would be. I felt that way particularly when the minister indicated how costs were to be paid.

On January 29, when the bill was given first reading, I brought to the attention of the minister the circumstances in connection with a resident in my constituency. The person in question is a working man well known to the hon. member who has just resumed his seat (Mr. Church). I felt that his case was of an example which the government had in mind. Apparently the government's intention was not only to assist the home owner, but to provide work.

I have in mind a particular workman. This man came from the old country as did many other workmen who live in that particular part of my riding. The majority of these men brought with them the idea of old country thrift. Their first thought was to buy a piece of land and then erect a small cottage upon it. Thousands of these men came out here in 1907 and through the years they have demonstrated that they are good citizens. I believe a larger number of them own their homes to-day than do similar workmen in other parts of Canada. The particular man I have in mind bought a piece of land upon which he built a small cottage of two or three rooms. His house did not have a foundation; it was placed on posts which were encased with lumber. This small cottage has served him as a residence through the years, but he would now like to put in a foundation and add one room to the upper part of the cottage, necessitating a new roof. How can that man get money with which to do this work? He owns his house outright and has steady work with the city of Toronto. I cannot see how this man would be able to repay a loan of $750 in three years. He figures that this is the amount he will require to do the work he wants to do, and if he borrows it he will have to repay it at the rate of $250 a year.

While I believe that the intentions of the government are good, while I want to give them every credit, while I commend the minister for endeavouring to promote the repairing of homes and residences to provide work, I cannot see how the ordinary home owner will be able to take advantage of these loans. He cannot pay back a loan of, say, $750 at the rate of $250 a year. The particular man to whom I have referred makes something over $28 per week. He works only ten months in the year and it would be utterly impossible for him out of such wages to pay back $250 per year. I should like some consideration given to this angle of the matter.

I had intended to ask the minister with reference to the costs when he was speaking, but I thought it would be better to let the bill go into committee.

Mr. DUNNING: I shall try to deal with that point when we are in committee.

Mr. MacNICOL: With the point I have just raised?

Mr. DUNNING: Yes.

Mr. MacNICOL: With reference to costs, I cannot see how this measure will be as beneficial as we hope it to be if the municipalities are to share the costs. Many municipalities are bankrupt.

Mr. DUNNING: There is to be no sharing of the cost.

Mr. MacNICOL: I understood the minister to say that part of the cost was to be borne by the business interests which would benefit from this work, and also a part by the municipalities which would benefit. I am glad to know that the municipalities will not have anything to do with the cost.

When the bill was introduced I was under the impression, apparently wrongly, that 15 per cent of the individual loans were to be guaranteed by the government. I realize that such a method of guarantee would mean a great deal of bookkeeping, but this is a measure to give relief in most serious times and we ought to be prepared to do some bookkeeping. I am afraid that when a man such as the one to whom I referred goes to a banker for a loan of $750 he will be told that the bank does not want to be bothered with a loan of that size because the government does not guarantee the loans individually. He may be told that a good deal of red tape will be necessary before the loan can be collected out of the aggregate guarantee in case of his failure. I know the government proposes to guarantee fifteen per cent of the aggregate and I hope some provision will be made to prevent lending companies from refusing to advance loans because individual loans will not be guaranteed.

There is one further item I should like to discuss. In my opinion this bill was designed primarily to benefit the home owner who has not been able to obtain necessary loans during these very strenuous and hard times. However, I note that the bill covers multiple houses. I have no objection to duplexes, but I should like to see some limitation placed upon the number of apartments in a building upon which a loan could be obtained. Unless that is done the large apartment owners will get too much of this money.

I want to thank the hon. member for Broadview (Mr. Church) for speaking so highly of the people in my riding. At one time he represented part of my riding and he gave the people very good representation. They are thrifty and sound people and I hope this bill will benefit them. I cannot see how it will be other than beneficial unless its effectiveness is reduced by some of the matters to which I have referred.

Mr. J. A. MARSHALL (Camrose): Mr. Speaker, the Social Credit party has refrained up to the present from criticizing the appointment of the National Employment Commission because we hoped that some good would come out of it. On many occasions we have urged that the problem of unemployment can never be solved in its entirety, that in this mechanized age it is impossible to give work to all men. This opinion was upheld the other day by the Minister of Labour (Mr. Rogers), when he said that public works will never solve unemployment. I think it is generally understood that the home improvement loan scheme is the brainchild of the chairman and other members of the employment commission. I do not believe it, for I credit these gentlemen with more intelligence than to offer just this one solution of the problem after almost a year's work. To me the price we have paid for the plan has been very high, and certainly it far outweighs the material benefits we have received. If my information is correct, and I have no reason to doubt the authenticity of it, this is not an original scheme. It has been in operation in the United States, and we are told that a similar scheme was hatched by officials of the federal Department of Finance, collaborating with bankers, and offered to the people of Windsor, Ontario, some time ago as a means whereby they might solve their economic problems. Evidently all has not been well in the city of Windsor.

Mr. MARTIN: It is improving, though.

Mr. MARSHALL: It has had its financial difficulties as many other Canadian cities have, and because the people of Windsor were thinking in terms of reduction of interest and perhaps of repudiation, terms which supposedly came out of the west but which have been in constant use in many of the cities of the east, this scheme was presented to the people of that city in order that they might become home conscious and that their minds might be kept away or diverted from the large burden of debt they are shouldering.

Mr. MARTIN: Quite wrong.

Mr. MARSHALL: The general outline of the scheme is well known to all, so that it is not necessary for me to go into it fully. It has been brought to the attention of the people of Canada by an intensive advertising campaign. In my humble judgment it is going to cost this country a great deal more than $7,500,000 when we take into consideration the cost of the commission, the cost of advertising, the cost of broadcasting and finally the amount we will pay eventually to the banks as a guarantee under this scheme.

Mr. DUNNING: If my hon. friend will permit me, doubtless he did not hear my statement that the whole cost of the publicity campaign in connection with the home im-

provement scheme is being borne not by the government but by voluntary contributions gathered from all over the dominion.

Mr. MARSHALL: I heard the statement made by the Minister of Finance, but eventually the cost of advertising will be included in the cost of goods and the people of Canada will have to pay it.

One of the things to which I take strong exception is the use of the term "discount 3¼ per cent." To me that is misleading. Those who are not constantly dealing with financial concerns might easily confuse discount with interest. They not only might; they actually do. Last fall I was in conversation with many people in regard to this scheme. They seemed to think it was a splendid idea that the government, through the medium of the banks, should place $50,000,000 at the disposal of the people of Canada at such a low rate of interest. They had confused discount with interest. When I drew to their attention the fact that discount at 3¼ per cent was equivalent to interest charges at 6·32 per cent, the scheme took on a different complexion.

I was surprised to learn that at one time the financial institutions had asked for a discount rate of five per cent, or interest at approximately ten per cent. I also learned with a great deal of surprise that commercial loans carry a rate of interest equal to this and that instalment buying is carried on at a rate of interest almost double. Is it any wonder, Mr. Speaker, that this country is on the verge of bankruptcy? This racket has been going on for so long that we are experiencing the greatest difficulty in stamping it out. I wonder when the people will awake to the fact that international finance is responsible for most of the present ills of this dominion. The government boasts that it can borrow short term money for less than one per cent and on long term bonds at less than four per cent. Yet it gives its blessing, it sanctions, it permits financial institutions to charge 6·32 per cent, and by every means at its command urges people to patronize the scheme.

The other day the Minister of Finance stated that the borrower required no backing on his note. Why should he? What finer backing could any financial institution have than the word of the dominion government? We were told that the borrower must have character and credit. These are characteristics which will obtain a loan for any individual at any time from any financial institution; at least they should. If the borrower has both those qualities I maintain that he requires no backing. Under this scheme, when a man goes into a financial institution he is asked such questions as: Is there a mortgage on the property? What is its size? What shape is it in to-day? He is asked about the taxes, whether they have been paid up, whether they are in arrears or whether the property is in danger of being offered for sale under the taxation laws. He is asked about the insurance on the property; he is also asked if he has a job, and, if so, whether it is a permanent or a temporary one. Finally he is asked what his monthly earnings are, and if he can answer all these questions satisfactorily the loan is granted to him. I venture to say that any individual who went to a financial institution and was able to answer these questions satisfactorily should have no difficulty in raising a loan to-day, without any backing or guarantee of any sort.

Certain things have been said with regard to the person who improves his property but does not wish to have the matter known to the taxation authorities. In other words, there is a certain type of citizen who realizes that improvement means increased valuations, and that an increased valuation means increased taxation. We have been assured that this—supposedly—will not be taken into consideration when valuations are placed upon property, but I do not think the dominion government has any power in the matter of assessments or of municipal taxation.

Mr. DUNNING: It does not pretend to have.

Mr. MARSHALL: I do not see why one individual should be allowed to be free of additional taxation because he obtains a loan under this plan from a financial institution, while another who puts his own money into improvements is not granted the same privilege. In short, the scheme is this. The banks, finding a strong current of public opinion against them, come forward as the saviours of our country. They propose by means of bookkeeping entries to create $50,000,000 of credit, lend it to the people of Canada and in process of time take back $50,000,000 plus $3,160,000 for services rendered. Why is it that we do not hear a word about inflation? Simply because it is the banks who are doing it on this occasion. The banks create $50,000,000 against $50,000,000 of production, and they place a stranglehold on the country by demanding $3,160,000 which was never created in the first place, and this, too, with the full sanction of the government. The Canadian Farm Loan Board to-day charges only five per cent, and that board, I understand, is making profits.

Mr. DUNNING: The hon. member is misinformed.

Mr. MARSHALL: The farmers' creditors arrangement boards operating throughout the country are cutting down interest to five per cent. Why, then, I ask, are banks allowed to charge 6·32 per cent? The government itself could easily have created this $50,000,000 through the central bank and lent the money at lower rates to the people to whom the banks are lending it to-day, and the profits, if any, could be used to reduce our debt. But naturally in that case we would hear the cry that it is "inflation." It is said that we have not the facilities for doing so. I do not agree. We have soldier settlement board officers throughout the country; we have farmers' creditors arrangement boards; we have inspectors; we have a hundred and one different agencies operating under the dominion government. Why could we not ask them to do what we are asking the banks to do? The solution of our difficulty lies in the control of currency and credit to be used for public needs rather than private gain. If this scheme is all the National Employment Commission can offer, even as a partial solution of the unemployment problem, after almost a year in office, it might well be abolished and the responsibility again placed where it rightfully belongs, on the shoulders of the Minister of Labour. I feel quite confident that a man of his intelligence and capability could easily have done as much as the commission has done, in less time and at less cost to the country. The government of Canada by commissions is a costly affair, and it may be that at some future time the present government, to its sorrow, will find that out.

I am not opposed to the idea which is behind the bill, but I object to financial institutions being given a monopoly in the matter; I object most strongly to the excessive interest charged; and I most strongly object to the government giving a guarantee when in the first place the scheme in every essential is being promoted to assist financial institutions in gouging from the people of Canada at least three millions of dollars.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): As I read the bill, it seems to me that it is designed to give some benefit, but that the benefits to be conferred are very limited and will be of advantage to a very small group of people. There are several outstanding problems which we in Canada must face: unemployment, cheaper credit, debt, and housing, and in my judgment this bill does very little to help in their solution. It is put forward with the idea of helping employment. Possibly it may stimulate a certain amount of employment in the building trades, and for that reason I think it is along the right lines. But, as has been pointed out by the previous speaker (Mr. Marshall), this is the only measure which has been given us by the employment commission, and if this is all that is to be put forward I would say that it does not begin to touch the great mass of the unemployed people of this country.

One of the dangers is that, upon the government putting forth this scheme, there is a great hullaballoo about it; the people think they are getting something, only to find later on that it has very little real effect on the mass of unemployment. Further than that, we need cheap credit, but I cannot think that this is the best way in which cheap credit can be given to those who most need it to-day.

Again, as a previous speaker has said, I believe that the government itself is in just as good a position directly to advance credit as the banks are; or, if it is not desirable that the government should do this, steps might be taken to force down the rates which the banks charge. But here apparently the banks or other lending institutions are to be very carefully protected. Clause 3 seems to contain the principle of the bill; that is, the guarantee to approved lending institutions against losses which they may sustain as a result of home improvement loans made by them. The arrangement is a help to the lending institutions.

Again, no credit is offered to many people who very greatly need it at the present time. I quite admit that certain classes of people whose homes are run down might not be able to get credit, and under this scheme they can. So far, so good. But there are large numbers of people who very much need credit and who will not be able to qualify under this scheme; no provision whatever is made for them.

But there is a still more serious question which must be considered, and that is debt. Not only are the industrial workers head over ears in debt, but a great many of them are actually losing their homes; and much the same is true in the country districts. Until therefore there is some more comprehensive way of dealing with the debt problem, I do not think we have advanced very far towards promoting that general prosperity which in itself, if it were here, would solve a great many of these problems.

Mr. ISNOR: What class of person coming within the scope of this bill is not taken care of?

Mr. WOODSWORTH: I do not suggest that the people who come within the scope of this bill are not being taken care of. What I said was that the majority of the people who need help, do not come within its scope. I am speaking of the limitations of the bill. As far as it goes the bill may bring benefits to some, but the benefits are so limited in scope that I cannot be very enthusiastic about the bill.

The point that has been stressed in the elaborate broadcasting of this proposal is that it is a splendid housing scheme. The fact is, it simply does not touch the great problem of housing that faces the country at the present time. In common with many other members I have read some of the housing surveys made by a number of our cities in recent years. I had thought it might possibly be well to put some of these figures on Hansard, but I do not want simply to clutter the pages of Hansard with them. The conditions in many of our cities are, however, simply appalling, and this bill does not touch them. Most of the people who are in the worst condition cannot take advantage of the provisions of the bill. I wish the minister could lay this bill over until we could have a discussion on the resolution standing in the name of the hon. member for Greenwood (Mr. Massey). He proposes to bring before us this whole question of housing, and it seems to me that the house should discuss that resolution and then come to a consideration of this bill in the light of such a discussion of the whole problem. As it is, a bill which touches a very small segment of the problem is presented to us and we are asked to pass it. Some will say. "Very well; raise your objections to this, that and the other particular clause, but let us pass the bill." That is not the way in which these things should be done. We ought to have a survey of the whole problem of housing in Canada, and then we should be in a position to say how far the provisions of this bill might help in solving that problem, especially in regard to home owners.

Mr. ROGERS: Is the hon. member now speaking of housing in its social aspects as a measure of improving the health of our people? He will agree with me that there is a marked distinction between different purposes that may be effected by housing legislation. This home improvement plan is designed, as I understand it and as I think he must understand it, rather to afford employment to the building trades; it is not designed to improve the conditions of which he has complained.

[Mr. Isnor.]

Mr. WOODSWORTH: Yes, but it has been put forward in a general way as being a housing scheme, and there is no other housing scheme which has so far been presented by the government. We heard a few years ago the expression "nuisance value." I am afraid this bill may have a sort of nuisance value—

Mr. DUNNING: Not to the men getting wages as a result of it.

Mr. WOODSWORTH: No; it has a value to a comparatively limited number of people. The trouble is that it may become a substitute for a more comprehensive scheme. I think we should consider carefully the larger question which so far has not been before the house. While it is all very well to distinguish theoretically between housing as it affects the health and social conditions of the people and housing as a means by which builders may earn a livelihood, I think the two should be considered together. I would remind the minister that even the people engaged in the building trades are themselves living in houses, and some of them amid very wretched conditions, so that even the class of workers engaged in the building industry must be considered, not merely as workmen but also as human beings having to live with their families in certain houses. But I am speaking not merely of building workers but of industrial workers generally, and this bill makes very little provision for the mass of industrial workers.

Just one other consideration at this point. The bill provides that the government shall stand behind the approved lending institutions. The government does not stand behind the home owners, and I think there is a very considerable distinction. If a man enters into this arrangement and is not able to make good I assume he may lose his home.

Mr. DUNNING: It has nothing to do with that at all.

Mr. WOODSWORTH: Why not?

Mr. DUNNING: Simply because this bill takes no account of whether or not he may have a mortgage on his home.

Mr. WOODSWORTH: That is the point.

Mr. DUNNING: The point is that nonpayment of the loan he secures under this act certainly cannot affect the question of his being deprived of his home.

Mr. WOODSWORTH: I am sure the minister must recognize that the amount he can make use of under the act is only a fraction of the value of his home.

Mr. DUNNING: Of course.

Mr. WOODSWORTH: This bill does not stand behind him in his struggle to obtain a home for himself. He may be heavily mortgaged at the present time, and if he is too heavily mortgaged I doubt whether he can qualify under the bill. But in the long effort he is putting forth to establish a home for himself the government does not stand behind him, whereas the government does stand behind the lending institutions, so that they are saved from any loss. An hon. member behind me suggested to me a little while ago, it might be possible that a bonus to home owners, to some such extent as this, might be just as sure a way of helping the home owners and might do just as much to stimulate employment. I have not gone into that question.

Mr. DUNNING: I have.

Mr. WOODSWORTH: Well, I shall be very glad to hear the minister explain that in due course. My point was simply that the government stands behind the lending institutions and guarantees them against loss, and considers only the aggregate loss. It does not stand behind the individual home owner in his efforts to secure a clear title to his home. There is one of the real difficulties.

As I said before I shall be glad to vote for the bill, but I regret that the government so far have not brought down more comprehensive measures which would deal with the outstanding problems which I have tried to enumerate.

Right Hon. R. B. BENNETT (Leader of the Opposition): On second reading the principle of the measure is to be considered by the house; the details stand for consideration in committee. The principle of this bill, as far as the government is concerned, is to guarantee lending institutions against loss to the extent of fifteen per cent of any sums they advance for the improvement of homes, not more than $2,000 in any one case.

There are two or three observations which might be made as to details in connection with that guarantee. The lending institutions are to be approved by the governor in council. We will assume that "lending institution" will mean any bank or insurance company or trust company or financial institution of any kind. The other day in answer to a question the minister said that the guarantee was for the aggregate of fifteen per cent to any lending institution, which institution might have many branches. A result of that might be that in a favoured community all the loans might go bad. That is, if the total sums advanced by any lending institution having a hundred branches throughout Canada amount to $300,000, the country has guaranteed $45,000, and that $45,000 might all be lost in one community. That is perfectly clear. Whether or not it will be satisfactory to work it out in that way I cannot say; I merely direct attention to the facts disclosed by the measure itself. But it does appear to me that, assuming an institution lends $1,000,000, there might be a loss of $150,000, distributed over two or three communities, representing fifty or sixty per cent of the loans made in those communities, and as a result of careful supervision of the loans made in other communities there is no loss there. So that the guarantee provision applied in that way might not work out as was intended.

As far as the general purposes are concerned I doubt very much whether this will accomplish what was intended by the promoters of it. Much might be said, and will be said at another time and place, with respect to the character of the publicity that has been given to it and the consequent misunderstanding on the part of many people as to what it really means. That there is such misunderstanding I think will be found by those who desire to make inquiry concerning it. The Minister of Labour (Mr. Rogers) a moment ago said it has nothing to do with the housing question. That of course is true. These loans may be made on a property mortgaged to the hilt, provided the owner can induce the lending institution to advance the money, and companies which have security on the property will of course be only too pleased to see money expended on it; for whatever may be said, such improvements will enure to their advantage. A judgment against a defaulting borrower will not be available for the execution holder against the property, yet the security of the mortgage has been increased. As far as that phase is concerned, however, I do not think it seriously enters into the matter. The whole question is, will the lending institutions in the exercise of their discretion in the several communities throughout Canada, whether urban or rural, in which advances may be made, grant credit—for that is what it gets down to—for improvements on terms indicated by this measure to any appreciable extent? And by appreciable extent I mean an extent which will provide employment to any substantial number of craftsmen.

Mr. DUNNING: That is the point.

Mr. BENNETT: That is the whole issue. The government's action violates some of the tenets of faith so dear to professors and others of the Liberal party, notably the ex-

tending of credit before parliament has authorized it, and the undertaking by mere letters of responsibilities that never should be undertaken. How the welkin would have rung had any effort of this kind been made by the preceding administration! It was done, as will be recalled, in a smaller way with respect to some matters. The very idea of authorizing the expenditure of public moneys without a vote of parliament is so contrary to all principles which govern and control public finance that I was horror-struck when I read in the press the original statement made by the Prime Minister (Mr. Mackenzie King), that when parliament met money would be authorized and appropriated and the scheme put in operation. A few days later that position was abandoned and it was said that by arrangement with the lending institutions the finance minister had succeeded in inducing them to be assured that with the large majority behind the administration they could rest in perfect peace that the guarantee would be honoured and in effect would be retroactive.

Mr. DUNNING: I did not say that.

Mr. BENNETT: No, but that is the sense of it. The language of the letter read the other day makes it abundantly clear.

I congratulate the government upon adopting plans which they find now in practice are essential, although in theory they may seem unsound. So often during the last few months we have seen evidence of this. The cold, calm theorist in opposition becomes wedded at once to plans of concrete usefulness when he is in office. If the Minister of Finance sees it is essential that a plan become operative in order that unemployment may be lessened, of course he should bring it into operation. I have no doubt about it, and never have had. The fact that we are now in opposition and the government are doing what they opposed when they were in opposition is no reason why I should reverse my position. I support the government in what they have done; what they did was right and proper and sound, and what we did and would do to-morrow if we had the same responsibility. But we throw back to the government now the criticisms they made in those days, and remind them that after all you can quote at great length books on public finance, but the cold-blooded fact is that when the public interest demands that employment be furnished now—not then, not at some other time in the future, but now if possible—by the operation of a plan which is thought to be effective, it is not the time to oppose if within the general bounds of our constitutional practice it is possible to give immediate effect to that which is useful.

There is one other matter in connection with the guarantees which I think is important. If the lending institutions are bound by the strict law of guarantee as it now stands, no extension of time can be given in case of default, not a single day. A variation to the slightest extent of the terms of the guarantee would operate to release it. And no one knows that better than the lending institutions themselves. Unless, therefore, it is provided—and I think it would have to be done by statute, not by regulation—that the granting of an extension of time by the lending institutions shall not operate to discharge the guarantee, it is quite obvious that the institutions will not for a moment permit their guarantee to lapse by granting an extension of time. They will at once institute proceedings for the purpose of collecting the moneys that may be due. I mention that because I think it should be a statutory provision rather than a mere regulation. That is, a statutory power should be conferred upon the lending institution to grant extensions of time; for the maximum time extends over sixty payments. The minimum is thirty-six, is it not?

Mr. DUNNING: With the larger loans it extends over five years.

Mr. BENNETT: Yes. It will be observed that if the lending institution does not strictly enforce its rights, or grants extensions, this will have the effect of releasing the guarantee. Knowing what we do of lending institutions in connection with their every-day operations, we know perfectly well they will not take that chance. I suggest that principle is very important in making this measure effective.

It has been said so frequently it is not necessary to repeat that the legislation, in itself, is not new. Therefore it seems to me we should profit somewhat by the experience of other countries. It must be remembered, however, in dealing with matters of this kind, that Canada is a country entirely different from the great republic to the south of us, as will be found by those who have to administer the legislation. It is undesirable to arouse too great expectations with respect to a matter of this sort, when it must be patent to even the superficial observer that the limitations of benefits are very apparent.

The twofold object which the commission, and through it the government, have in mind is, in the first place, the improvement of the homes of our people, and in the second place

—and perhaps this should be indicated first—employment on as large a scale as possible in useful and productive service. Whether we put one or the other first, it does not make any difference. For that purpose the country is obligating itself to a maximum of $7,500,000, which is fifteen per cent of $50,000,000. Seven and a half million dollars is a substantial sum of money, and we run the risk of losing all or part of it. We would run a risk of losing very little of it if it were not that apparently we have agreed, although it is not so indicated, that the lending institution is to be regarded not as a series of branches, but as a whole. A lending institution having two hundred branches each of which advances $5,000 will have $1,000,000 lent out. Fifteen per cent of that is $150,000, which the country would have to pay. I am not quite sure if that is sound finance, but it is exactly what the bill means, in view of the answer given the other day.

Mr. DUNNING: No, not in the case of two hundred institutions.

Mr. BENNETT: Two hundred branches, I said, each one advancing an average of $5,000.

There is a vital factor in that connection affecting the success or failure of the whole plan. I make my submission not in a critical sense, because I desire that any suggestions I may make may be helpful. My experience has taught me that when one is dealing with a question of a guarantee and with branches being in a position to make advances, one must keep in mind, first, that the law of guarantee is very strict and, second, that the sum of the losses in all the many branches through which the lending companies may make advances may place upon the country a burden which would be avoided if each was made responsible for its own fifteen per cent.

Motion agreed to, bill read the second time, and the house went into committee thereon, Mr. Sanderson in the chair.

On section 1—Short title.

Mr. MacNICOL: Is there any clause in the bill referring to the wages the workmen are to be paid while carrying out repairs to buildings indicated in the measure?

Mr. ROGERS: No clause in the bill deals with that particular subject. Fair wages legislation of the dominion parliament does not affect work done through private contracts. It extends only to public works and public contracts. Therefore the matter of wages paid to those who will be employed on the improvement of homes will be for the determination of the authorities in the provinces where the work is being done.

Mr. MacNICOL: Regulations as to wages will come under provincial legislation?

Mr. ROGERS: Yes.

Mr. MASSEY: Can the minister impose any restriction in connection with the use of moneys obtained under a loan? For instance, we know of houses which, although being lived in, are unfit for human habitation and should be condemned and demolished. Under this measure the owner of such a house could apply for a loan, repair the house and put it into a state of repair sufficient for certain purposes. However, even after the repairs were made the house would not be fit for human habitation. Is any machinery set up whereby a person would be prevented from obtaining money to repair a house in a condition such as I have described?

Mr. DUNNING: The question is important and indicates one of the difficulties faced by the federal government when it attempts to assist in fields certain phases of which are under other jurisdiction. As the hon. member is aware, the duty of condemning a dwelling house as being unfit for human habitation is a provincial matter. The power is generally conferred by the provinces upon the municipalities. Through legislation of the kind before us we can have only a very broad and somewhat distant connection with the problem. Through the lending institutions we can attempt to indicate that it is not the policy of the government to make loans to place slum dwellings in the condition described by the hon. member. I submit, however, that the federal authority cannot enter into an argument as to whether a dwelling is or is not habitable or suitable for human occupation. The determining authority in such instances would be not ourselves but the local authority, usually the municipality.

Mr. McNIVEN: I should like further information on the question asked by the hon. member for Davenport, namely with regard to wages of workmen employed. The object of the bill is to increase employment, but I anticipate that in so doing it is the intention not merely to create a job but to bring about a condition of affairs which will assist workmen in reestablishing themselves. Therefore it seems to me that in guaranteeing the payment of certain moneys parliament has a responsibility toward the men who are to do the work. The dominion government has recognized this principle by incorporating a fair wage clause in every contract given out

by the government. We are using the public credit to guarantee certain expenditures and it seems to me we could well take steps to ensure that the expenditure of that money will assist in reestablishing these men instead of giving them merely a few days work. It will be little satisfaction to this parliament and to the public at large if, after a summer's work, these carpenters, plumbers, steamfitters, painters, decorators, and other artisans have to go immediately on relief. If such a thing were to occur, then this parliament would be losing both coming and going.

The borrower must make an application to the bank. Could there not be incorporated in that application an undertaking that he will pay the going rate of wages to the various trades employed? There are still many chisellers around who delight in preying upon the unprotected artisan, and I think we have a responsibility in that connection.

Mr. ROGERS: Mr. Chairman, the question just raised by the hon. member for Regina (Mr. McNiven), and previously by the hon. member for Davenport (Mr. MacNicol), has been before the Department of Labour for consideration. It is quite true that in addition to laying down scales of wages for public works, the Department of Labour has followed the practice of inserting a fair wage clause in government contracts. I am sure my hon. friend is aware that that fair wage clause provides only for the payment of the going wages in the locality where the work is being done. We have never attempted to lay down a definite scale of wages apart from public works and public contracts. In other words, the determination of the wages is a matter of local usage or is decided by local authorities, as in a number of provinces where labour codes prevail. I am bound to say that we have had suggestions that we should move in the contrary direction. It has been suggested that in certain localities the wages paid to some classes of labour in the building trades are abnormally high, and that this fact has tended to discourage building operations. I would doubt the wisdom of inserting in this bill a clause which would mean an extension of the fair wages policy of the government beyond public works and public contracts. Hitherto we have never gone beyond public works or public works' contracts. I think I might add this further observation. Provision has been made for setting up advisory committees in every province and in every large city and town. Labour will be represented upon these committees, and it does seem to me that the proper means of securing what my hon. friend has in mind would be for such committees to bring their influence to bear upon the local authority to see that fair wages were paid for this particular type of work.

Mr. STEWART: Mr. Chairman, I think there is a great deal of merit in the suggestion made by the hon. member for Regina (Mr. McNiven). The solution he offers is simple and effective. When the borrower applies for a loan, which he undoubtedly will do by filling out some form, he should give the undertaking suggested by the hon. member. That is a reasonable provision to make in cases of this kind and it provides the necessary safeguard. The minister's statement with reference to wages paid on public works is correct if he has in mind only common labour, but it is not complete in all its details. Each year the Department of Labour determines upon a scale of wages for the skilled trades in the different areas. It thereby sets the rates of wages. Those rates are sent to the Department of Public Works and the schedule is posted on the works being carried on. The different contractors agree to pay the rates of wages specified therein. These rates are made part of the specifications and the department not only undertakes to see that the going rates of wages are paid in the case of ordinary labour, but enters into the field of fixing and determining the rates for the skilled trades.

Mr. ROGERS: Based upon the prevailing wages in the locality.

Mr. STEWART: I do not know what the basis is, but it is determined by the Department of Labour. They do not leave it at that; they say that so much per hour or so much per day is the schedule of wages which shall apply to this work in the area concerned. That schedule is posted on the work for the information of the employees.

Mr. BROOKS: A few days ago when this bill was being discussed an hon. member asked a question with reference to improvements on farm buildings. At that time I understood the minister to say that the terms of this bill would apply to outbuildings such as barns and so on, as well as to houses on farms. I cannot find anything in the bill to lead me to believe that these buildings are included. Yesterday I received a pamphlet from the National Employment Commission, issued under the authority of the dominion government. I assume all hon. members received copies of this. In one section it states:

> Loans are to be made solely for the purpose of making repairs, alterations and additions (including built-in equipment) to either rural or urban dwellings. The proceeds of such loans can be used for no other purpose than the above.

It will be noted that the purpose stated is sufficiently broad to include repairs or alterations inside the house, or improvements or additions to the house. It would also include an attached or detached garage on the same property.

But there is nothing to indicate that the farmer's barn, hog pen or other buildings is included. The farmer has had just as hard a time as the city dweller; his buildings are very necessary to his livelihood, and I think such buildings should be included in a scheme of this kind.

Mr. DUNNING: The section which would cover the point raised by the hon. member for Royal (Mr. Brooks) has not yet been reached and I should like to confine the discussion to the section before the committee. However, I can assure him that the present regulations under which the scheme is presently operated do include farm buildings. Loans have been and are being made for the purpose of improving farm buildings.

With regard to the point raised by the hon. member for Regina City (Mr. McNiven), I might point out to the committees that unless a change is made in this procedure, it would be quite competent for a man to get a loan wherewith to buy materials or appliances to install in his own home. There is nothing to prevent a man who is an artisan from doing his own work. I know a number of cases where this has happened. Under this scheme an artisan capable of doing the work has gone to the bank and secured a loan with which to purchase the materials wherewith to do work in his own home, and I think that is good business. It is providing labour, because some other men made the materials he is buying for use in his home. While the statistics indicate that 85 per cent of the total of the advances under this home improvement plan goes in wages, this does not mean that 85 per cent goes in wages to the men who actually work in the houses carrying out the alterations. It does mean that the labour factor involved in the lumber, in the paint, in the bathtubs—and a great deal is being done by way of installation of modern plumbing in homes that hitherto have not had it—in the cement for putting foundations and basements under homes that hitherto have not had these facilities, which labour factor is included within the cost of all these materials, is making work somewhere in Canada.

We can very easily exaggerate the necessity of attempting to enforce, through the medium of this bill, a fair wage clause on that portion of the labour which possibly could be reached by this measure. I suppose it would be possible to add something to the application form; I have before me a form such as a man uses in applying for a loan. A statement by him to the effect that he intended to pay fair wages could be made a part of the application, but I submit that it would be valuable only for the sake of its moral effect unless we were prepared to set up a system of policing machinery which would be very, very expensive and, I think, of very doubtful effectiveness. We must bear in mind that the experience of the two months during which the scheme has been in operation indicates that the loans are quite small. In the more than three thousand loans which were made in the first two months the average amount was some $380 per loan, if my memory serves me aright; at any rate it was less than $400. Imagine the machinery which would be necessary to make it possible to enforce, by action of this parliament or this government, a fair wage clause in connection with the operation of all these little jobs, when as a matter of fact fair wage arrangements are being dealt with in and by most of the provinces and local communities in which this work is going on. I doubt very much if we would accomplish anything by attempting to legislate along this line in connection with the guarantee we are giving. I am willing, of course, to consider any views which may be expressed by the committee, but I do urge that we should not clutter up this scheme with red tape. Every effort has been made, in dealing with it, to reduce red tape to the minimum in order to secure the major objective, which, of course, is the provision of employment. The manner in which trades and labour organizations in practically all the cities of Canada have cooperated and are cooperating with the local committees in creating that kind of community cooperative spirit which will make it possible to attain the desired objective, is evidence that the interests of the men who are working for wages are being well looked after, and I believe the danger suggested is more apparent than real.

Mr. MacINNIS: I tried to get the floor two or three times, but others caught the eye of the chairman. This is a very important point, and it is something this house and this government should keep in mind continually, whether or not it can be incorporated in these agreements.

The Minister of Finance (Mr. Dunning) referred to the cost of policing in connection with these loans, and stated that the cost which would be involved if such a fair wage clause were written into the agreements would

be very heavy. When it comes to protecting the interests of the wage-earner we are always met with a reference to the cost and the difficulties involved. It is almost impossible to get authorities to act to protect the interests of the wage-earner. Some little time ago my attention was drawn to a city in this country in which two cases were brought before a magistrate. In the one case an unemployed man stole a small amount; at the moment I do not know whether it was money or goods. In the other an employer was brought into court for violation of the minimum wage act. In the first case the magistrate did not hesitate at all before imposing a term of imprisonment upon the unemployed man, pointing out that the community must be protected from an individual of this kind. When the violation of the minimum wage act came before him, however, he said that at a time like this employers could not be expected to pay any attention to minimum wage laws. That is something which cannot be overlooked by this or any other government.

Mr. DUNNING: May I ask what possible relation that can have to the matter before the committee?

Mr. MacINNIS: It has a relation in principle. The answer of the Minister of Labour (Mr. Rogers) was exceedingly unsatisfactory. He said that never before did we attempt to do anything except to insert a fair wage clause in public works contracts.

Mr. BENNETT: He could not have been in the house from 1930 to 1935.

Mr. MacINNIS: I quite agree. As a matter of fact, before the fair wage legislation was passed there was no protection at all in government contracts. If we adopted the principle of the Minister of Labour that we should not do anything because it had not been done before, we would never make any progress at all.

There is another point. The minister mentioned that in his opinion some wages in the building trades were too high.

Mr. DUNNING: He did not say any such thing.

Mr. ROGERS: Let me correct my hon. friend. I said complaints had been received in the Department of Labour that in certain localities certain tradesmen in the building industries were charging wages which made it difficult to get the amount of building started that otherwise would be proceeded with. I did not myself state that those wages were too high. I said that as a matter of fact complaints had been received.

[Mr. MacInnis.]

Mr. MacINNIS: I am sorry if I misquoted the minister; I apologize. My understanding, however, was that he thought a lower scale should be inserted in the contracts.

Mr. ROGERS: No; there was no suggestion of that.

Mr. MacINNIS: In any case the minister said the reverse would have to be done.

Mr. ROGERS: What does that mean?

Mr. MacINNIS: I do not know; the minister made the statement.

Mr. ROGERS: I am afraid my hon. friend is putting the words into my mouth. I certainly do not recall having made a statement of that kind.

Mr. MacINNIS: Then I withdraw the statement, if the minister objects. But that just emphasizes the point we wish to make, that wages are always too high for the employers of labour and that they never pay a living wage unless they are forced to do so. If we take the building trades workers, we know that in most cities, in fact in nearly every city, they work for only a few months in the year, and if they are to live at all during the other months they must have a reasonable wage, a wage that might appear rather high for a person who has a steady job the year round. I think it would be quite easy for the government to insert in this agreement a clause which would to some extent protect the wage workers. The fact that a few individuals obtaining loans might do some of the work themselves would not make such provision impossible, and if it could be inserted it would have a moral value, if no more.

Mr. MASSEY: I assume that the bill is sincere in its broad statement that it is a bill "to increase employment." I was interested in what the minister said as to the use which could be made of the loan to obtain materials, and his statement that in many instances further work would be done by the man himself, he being perhaps a skilled mechanic. I imagine that in a good many cases those who obtain loans can do a good deal of the repair work, such as their own painting, their own carpentry, and so on. But the declared purpose of the bill is to increase employment. Many of the people who receive loans are in a position to improve their homes as a result of this legislation, but they are also in a position to employ men for a few days to do the work. Some of them can afford to do that. They can get their material for three or four hundred dollars—the average, I think it has been stated, is three hundred dollars—and could

pay say twenty or twenty-five dollars of that amount in labour charges to have the work done. I was also much interested to hear the minister say that in the publicity campaign which was to be launched there would be direct advertising in the newspapers and also radio announcements. Would it be possible to incorporate in this advertising something which would stimulate a desire on the part of those obtaining loans whenever at all possible to employ labour; in other words, to make the act carry out as far as it can its declared purpose, which is to increase employment, and thus give emphasis to the fact that the object of this loan is not only to repair homes but to give men jobs?

Mr. DUNNING: That is the motive. The suggestion of my hon. friend will be passed on.

Mr. COLDWELL: While this measure may be regarded as a step in the right direction, nevertheless it will not touch our badly housed people in the rural districts; it is largely an urban scheme, and should be so regarded. I should like to see the ministry of labour and perhaps the ministry of agriculture endeavour to work out a plan of rural housing apart from a home rehabilitation plan such as this is. I doubt very much whether many of our rural people will be able to take advantage of this particular scheme.

Mr. DUNNING: I can tell my hon. friend that they are taking advantage of it.

Mr. COLDWELL: I am very glad to know that. In what provinces?

Mr. DUNNING: In practically all the provinces; to a larger degree in Ontario than anywhere else. Perhaps if I tell my hon. friend that in cities with a population of 40,000 and over, the total number of loans in two months was 1,252 out of a total number of loans of nearly 3,200, it will be appreciated that the larger proportion must be in the smaller communities. From a cursory examination of the returns I know that the scheme is spreading out more and more into the rural districts, and we have information that, with respect to those areas, the early spring months, just before work on the land is possible, are going to be the most advantageous time from the standpoint of repairs of farm outbuildings and work on the homes. In that regard it must be remembered that, while I can give the information with respect to cities of 40,000 and over, I cannot at the present time subdivide that further with respect to the balance, because of the fact that we are only just getting the machinery for recording these reports into such shape as to produce the information which I know the committee would want and which I hope to give in great detail next year as a result of the machinery now being set up. But there is a definite interest in the rural areas which is very encouraging.

Mr. COLDWELL: I am very glad to know that. I wonder whether the minister has the figures broken down to show the distribution of the loans as between the provinces.

Mr. DUNNING: Yes; I can give that.

Mr. COLDWELL: I think that might be interesting.

Mr. DUNNING: Of course, always bearing in mind it is only for the first two months.

Mr. COLDWELL: Yes.

Mr. HEAPS: Can the minister give the amounts?

Mr. DUNNING: Yes. I shall leave off odd dollars and give it down to hundreds, if that will be satisfactory. In Prince Edward Island 31 loans, $10,800; in Nova Scotia 328 loans, $102,300; in New Brunswick 179 loans, $56,500; in Quebec 518 loans, $266,400; in Ontario 1,153 loans, $415,000; in Manitoba 131 loans, $50,200; in Saskatchewan 91 loans, $28,700; in Alberta 281 loans, $121,800; in British Columbia 447 loans, $146,000. My officers point out that it is not fair to regard this list as at all indicative of the progress made, because of the fact that the setting up of the organization in various provinces has not synchronized, and we are only now reviewing two months' experience. Some provinces were rather slower than others in getting fully organized, and of course economic conditions prevailing in certain parts of the country have an effect on the immediate use of the scheme.

Mr. COLDWELL: At another time when the minister discusses this matter in the house it might also be of interest to know the number of applications made and the number granted in the various provinces, if that information can be secured. I am not asking for it now.

Mr. DUNNING: I do not know that we have provision to get it.

Mr. COLDWELL: The statement has been made that this is a scheme for home rehabilitation apart from mortgage and other indebtedness, and therefore it would be interesting to see the proportion of grants to applications made in various areas of Canada. However, I am not pressing for that information now; I am just suggesting that it may be of interest at a later date. I was,

however, going to add my views in support of the suggestion as to the inclusion of a fair wage clause. It is important that somehow this shall be done, even if it is simply stated on the application form that a fair wage should be paid. I believe it should be obligatory; at any rate on the form of application some attention should be drawn to it. I understood, like the hon. member for Vancouver East (Mr. MacInnis), the minister's remark to mean that probably, if such a suggestion were carried out, it would involve a reduction of wages in some localities. Apparently we misunderstood him.

Mr. DUNNING: I did not say anything like that.

Mr. COLDWELL: No. I alluded to the Minister of Labour (Mr. Rogers).

Mr. ROGERS: At any rate that was not my intention. If I said so I should be glad to correct it.

Mr. COLDWELL: Probably some other members of the house may have the same impression. In that regard, some years ago when I was connected with municipal affairs in Regina, I heard the same suggestion made over and over again, and the bricklayers were the ones who were usually the targets of that particular complaint. I had an opportunity of examining the earnings of some of the best bricklayers in that city for, I think, the year 1928, and to my amazement I found that the total wages these men were making, at $1.35 or rather more per hour, was something less than $1,200 a year. Consequently a rate which, on an hourly basis, looks high is often, on a yearly basis, not very high. I am glad to know that applications are being received from rural sections, for, as the Minister of Finance knows, in many areas in western Canada rural housing is in a most deplorable condition.

Mr. LOCKHART: I want to add a word to what I said the other day when the bill was first presented. I agree with the minister that loans are now being made in the rural districts. I am closely associated with the distribution of building materials and therefore know something whereof I speak. Considerable interest has been manifested on the part both of residents in urban centres and of the rural population, but there seems to be some doubt in the minds of those in the rural sections, more so perhaps than among those in the urban centres, as to the conditions and the qualifications for obtaining this money. I cannot altogether agree with the hon. member for Greenwood in insisting upon the labour to be engaged in order to make use of materials.

[Mr. Coldwell.]

Mr. MASSEY: If my hon. friend will permit me to interrupt, I did not say "insist," but urge whenever possible.

Mr. LOCKHART: I beg the hon. member's pardon; possibly I misunderstood him. Houses by the score are being built to-day—this was very noticeable in 1936—by men who are doing as much as possible of the work themselves in order to make their money go as far as possible. I am quite convinced that the amount of the loans which will be outstanding at the end of the first year will probably be very small, as intimated by the minister. But there is just that doubt in the minds of men who are looking for information, and naturally they come to the building material dealer for information. They say that they cannot get quite clearly in their minds the qualifications for obtaining this money, and I am more than pleased to know that the minister is making an effort by radio or otherwise to acquaint the people most definitely with the regulations and the qualifications that are called for. I urge upon him again and upon those in charge of the work of drawing up the instructions which are to be sent out to the heads of the banks and the lending institutions that they take some pains in this matter. Many of our best men in Canada are not particularly versed in the methods of banking institutions; they are not versed in financial practice. If bank managers and others interested will give these men some simple instructions as to how they may obtain three or four or five hundred dollars, for use possibly in the installation of bathroom equipment or something else which they have not had in the past, and if this is carried to the fullest extent in the instructions which are sent out, so that those who have struggled hard to maintain their little homes may be fully informed on the subject, I am sure this bill can be of considerable benefit to the people not only in the cities but in the rural sections, who, I know from experience, are now inquiring as to the cost of material for certain pieces of work.

Mr. HEAPS: I have no doubt this bill can be of considerable advantage to those who are in a position to avail themselves of its provisions. I do not know how many will be able to qualify, how many there are whose signatures would be accepted by banks or lending institutions. Personally, I hope the lending institutions designated under the terms of the bill will be fairly liberal in their interpretation of the provisions of the measure and will not turn down too many applicants. In the first place, the minister ought to inform the

committee as to what provision the government itself is making with respect to the loans that will be made by lending institutions.

Mr. DUNNING: We have not yet come to that section.

Mr. HEAPS: If there is a provision covering that question, we can discuss it when we come to it. The minister ought to inform the committee if he can whether the term "lending institution" will be narrowed down to banks and mortgage companies or whether others will be allowed to lend money if they are in a position to do so, and, in the opinion of the Department of Finance, are suitable agencies for the purpose.

Mr. DUNNING: We have not yet come to that, but I may answer the question now. Banks of course qualify; mortgage companies do not. They would not undertake it, and in any case the law with respect to mortgage companies in the various provinces would render it rather difficult to make it a part of the mortgage company's business. I believe we have at the present time approved one company, Heating and Plumbing Finance Limited, which is organized to finance improvements in connection with the heating and plumbing trades. Of course, in entering into an arrangement under this act they must comply with its discount provisions, which, as everyone here knows, are much lower than the normal discount provisions with respect to instalment buying of anything. We are prepared to consider approving as a lending institution any one which is equipped to do the work and will comply with the maximum limitations on discount which we impose. We will look at any one which wants to do this job and judge whether or not that institution is capable of rendering service. If it is, we have no objection to approving it.

Mr. HEAPS: There should be some supervision over the companies that might qualify to lend money or to give out materials under the provisions of the bill.

Mr. DUNNING: Naturally.

Mr. HEAPS: We are dealing now with lending institutions.

Mr. DUNNING: No, we have not reached that yet.

The CHAIRMAN: We are still on clause 1.

Mr. GREEN: Both the Minister of Finance and the Minister of Labour have referred to local committees, and apparently there are committees in each province and in the larger cities. Speaking for the city of Vancouver, I know there is a thoroughly responsible committee there. I believe all these committees are serving without remuneration, but there is not a word in this bill to indicate what the powers and the duties of these committees are. Last year, when we were dealing with the veterans' assistance commission, a section was inserted setting out the powers and duties of the honorary local committees. There should be a section in this bill covering the duties of the local committees and also providing for their expenses. I believe they will have a paid secretary in each city, and no doubt office rent and similar expenses.

Mr. DUNNING: They are paying that themselves.

Mr. GREEN: Well, there is no mention of these committees in this bill. This is not fair to these responsible citizens, who are giving of their time and energy to make this plan a success.

Mr. NEEDHAM: Would an applicant for a loan be limited to one house? I know people who a few years ago built perhaps five or six houses in a community, and as times recently have not been so good these houses have become to some extent dilapidated, owing perhaps to reduced rents. Under this scheme could an applicant apply for loans on five or six houses?

Mr. DUNNING: Yes.

Mr. NEEDHAM: Is there any provision whereby the rent will not more than compensate the interest that is going to be added?

Mr. DUNNING: I do not understand my hon. friends' last question. As to whether more than one house owned by the same owner can come within the provisions of the plan, I answer yes. There is nothing in the bill relating to rent. That depends upon the individual case. But one owner can borrow with respect to more than one house.

Mr. GREEN: Might I have an answer to my question?

Mr. ROGERS: I intended to answer at the first opportunity. There is no provision in the bill itself for advisory committees, because the entire organization, which includes provincial committees and local advisory committees, has been set up through the National Employment Commission and is upon an entirely voluntary basis. There seems to me very much to be said in favour of leaving that type of organization very largely to the guidance of experience. It would probably tend to restrict rather than to encourage the work of the committees if their duties were definitely set forth in the bill. The members serve voluntarily; the organization is

under the National Employment Commission, and I have in my hand a folder published by the commission setting out useful suggestions for local advisory committees, so that these committees are not left entirely without guidance. But it seems wise to leave them on a voluntary basis, rather than to give them statutory form.

Mr. GREEN: But the committees under the veterans' assistance commission also serve without remuneration and are also working with the National Employment Commission. It is to be hoped that this National Employment Commission will evolve many different schemes. Are we to have five or ten or fifteen different committees in a city, without any legislative definition of their powers or duties? I suggest that it is impracticable to have them working without some definition by parliament of what they are supposed to do; it will only lead to confusion.

Section 1 agreed to.

On section 2—Definitions.

Mr. HEAPS: I think it desirable that there should be a certain amount of government supervision of construction or repairs in connection with all buildings. In the first place this is desirable because I have a strong feeling that if building or repairs become active we are likely to find an increase in the price of materials. It would not be the first time this has happened. Particularly is this true in the case of plumbing supplies, which are practically controlled by a monopoly. And the minister pointed out that he had complaints from some quarters that labour costs were too high. Have the government given some consideration to the cost of building supplies? There was an inquiry a few years ago, and I believe it was found that in some cases costs had risen to far in excess of what they should be. The whole purpose of the scheme may be defeated if the cost of building materials jumps too far beyond what it should be. For that reason at least I should like to see some supervision of a direct sort by the government. There should be some committee of either the Department of Finance or the Department of Labour or even the National Employment Commission to see that prices of building materials do not rise as soon as building becomes active.

Second, the government should also see that the maximum rate of 3½ per cent, which may be about 6 per cent in fact, is not exceeded by the lending organizations. For these reasons I would impress upon the minister that his or some other department should exercise supervision over the operation of this plan to make it a success, for in my judgment the administration of the measure will be one of the most important features. Unless there is proper administration the whole thing may fall to the ground.

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

After Recess

The house resumed at eight o'clock.

COPYRIGHT AMENDMENT ACT, 1931

Mr. W. K. ESLING (Kootenay West) moved the second reading of Bill No. 13, to amend the Copyright Amendment Act, 1931.

Mr. NEILL: Explain.

Mr. ESLING: Mr. Speaker, I am confident that if hon. members would refer to the Canada Gazette of January 2, they would be somewhat bewildered by the ambiguous tariffs under which the Canadian Performing Right Society operates. I am not at all concerned about the tariffs and fees they collect from theatres or broadcasting stations, because those institutions are well able to look after themselves. But the continuous complaints from small music users in the interior of British Columbia, from such places as lodge halls, orchestras, skating rinks, stores and the like, together with the unjust fees the society seeks to collect, certainly suggests that there should be some remedy for the existing situation.

The society in coming into a community attempts to collect a minimum of $30. If it cannot get the $30, it will come back next day and indicate its willingness to take $20. If it cannot get $20, it will take $10. The purpose seems to be to get money some way. It is not a satisfactory way, because most of its collections are induced by threats. At the last session of parliament we had an extended review of the set-up of the Canadian Performing Right Society. Hon. members will recall that there was an American Society of Authors, Composers and Publishers, and an English society with which were affiliated various associations in the different European countries. Those societies are about fifty per cent publishers. The publishers are the people who acquire the copyrights on various pieces of music, and are those who profit chiefly by such fees as can be collected.

There are about twelve hundred members in the American societies and an equal number in the English and affiliated societies.

The directors of the two societies apparently saw a fertile field in Canada for the collection of money, and as a result in 1925 the Canadian Performing Right Society was incorporated under the Dominion Companies Act. It had a capital set-up of 10,000 no-par-value shares. To show that there was very little Canadian interest in the matter, may I say that only seven of the 10,000 were retained in Canada as qualifying shares.

Prior to the time of Judge Parker's investigation in 1935, there were no Canadian authors or composers participating in or benefiting by the collections. This was the cause of some criticism. On the floor of this house some six months later it was revealed that there were only seven Canadian authors and composers. The directors of the American and English societies simply assigned to the new Canadian Performing Right Society copyrights to between 2,000,000 and 3,000,000 pieces of music. One might say that that is the stock-in-trade of the Canadian Performing Right Society. It is on these alleged copyrights that they proceed to collect fees from users of music throughout the dominion.

Who is there in the house who can say that the American and English companies had title to the copyrighted music transferred to Canada. Nobody knows whether they had title or not. They simply come in and tell the government that they have title to between 2,000,000 and 3,000,000 pieces of music, and under the statute they are authorized to issue licences and to collect fees in compensation for the use of the music. They have proceeded to collect their fees in a most arbitrary fashion, largely by threats. A bill may be presented to an applicant, and in the event of the applicant refusing to pay, or in the event of his using a piece of music on which they contend they have a copyright, legal action is suggested.

At present the Canadian Performing Right Society is the only company exercising the right to issue licences and to collect fees in Canada. But one cannot say how many more concerns may come in and claim the same right, provided they can show title to certain pieces of music. I do not think it would be difficult for them to show just as good title as the present Canadian Performing Right Society is able to show

My point is that there is nothing to indicate that the society which collects the fees does have actual possession of or actual right to the copyrights in question, and there has never been any particular effort to make them prove their right. Under the statute they are compelled to register their titles in the copyright office. Early in the period of their business operations when they were depositing between two and three million titles in the copyright office, they simply deposited whole catalogues showing various pieces of music. As recently as last year they have been known to attempt to collect fees on music to which they had absolutely no right or title. If this is done in one case it is fair to assume that it is done in others. Their fees until the appointment of the appeal board have certainly been varied, and subject to all sorts of combinations.

Since 1931, when they first attempted to collect fees they have filed no less than nine separate tariffs, each one of which had a tendency to increase rather than to reduce. The joker in the present tariffs is that everything is based upon a minimum and from the minimum there may be gradual increases by calculations and conditions until a maximum, the certainty of which can never be established, is reached. Between the minimum and the maximum they are on safe ground. It would appear, therefore, that the Canadian Performing Right Society is a very clear example of "heads I win, tails you lose."

Thus far they say they have deposited in the copyright office about 200,000 titles. The purpose of the amendment is to require the society in its collections to give to every user of music a list of the titles to which it claims ownership or upon which it claims authority to collect fees. That list should be certified by the Secretary of State. The excuse is made that this would involve an expenditure of $10,000 for printing. Let us assume that such is the case; that would simply be a capital expenditure on the part of a firm doing a very profitable business. This concern, under the 1937 tariff, collects $70,000 from the broadcasting stations of this dominion. Our own Canadian Broadcasting Corporation contributes $15,000 of this $70,000. Is there anyone in business who has not to make some capital expenditure? A lawyer must buy his books, his office fixtures and so on, and a merchant must put up his shelving and counters, buy his stock and do his advertising. Those are capital expenditures which must be made. Why should not this performing right society expend $10,000 or $20,000 in order that the public may be protected?

We all admit the principle that an author or composer should be protected, that his rights should be secured, but the public generally is also entitled to protection. In addition to the $70,000 contributed by the broadcasting stations, the theatres of Canada pay $60,000 annually as fees to this society. Then

to this total must be added the numerous minimum fees paid by stores, skating rinks and other places of amusement. I ask hon. members if it is unreasonable to require that this performing right society shall give to every applicant for a licence a list of the music to which it claims to have the copyright and for which it claims authority to collect a fee? Is there any hon. member willing to hand out $30 in payment of a bill without knowing what it covers? Why should not the same principle apply to the payment of licence fees?

I am going to ask this house to give earnest and sympathetic consideration to these amendments which concern the protection of the public. When these people go out to collect licence fees they should be required to satisfy the applicant for a licence that they have ownership in that which they offer for sale. It is unfortunate that this whole matter is not of a more material nature. There is no reason why this society should not be paying a sales tax. I suppose we can hardly apply a sales tax to music, but the fact is that they make their money far more easily than the average merchant or professional man. There is no reason why they should not pay for the privileges they enjoy in this dominion.

They do not stop to consider for one moment how much of a drain the payment of a licence will be upon the resources of an applicant. If the applicant refuses to pay, he is told that they will bring action against him. I commend the minister for having set up an appeal board. This board is doing the best it can under the circumstances to carry out the provisions of the act. However, it is serving simply as a stop-gap in preventing the Canadian Performing Right Society from changing its tariffs two or three times a year.

The second amendment deals with the licence fees charged the smaller users of radios and an exemption is asked for these users. As I said before, under the 1937 tariff the broadcasting stations paid a total of $70,000, of which $15,000 was contributed by the Canadian Broadcasting Corporation. In addition to the broadcasting stations there are the little fellows, the skating rinks, the lodge halls, the hotels, the restaurants and so on that use radios for some purpose or other. We may have a restaurant with four or five tables on either side of an aisle with a little radio to provide music for the guests. Along comes a representative of the Canadian Performing Right Society who charges this man $5 as a minimum fee. He is then told he must make continuous and voluminous reports as to what music is played, how many hours per day and how many days per week the different pieces are played. There are more reports to be made to this society than are necessary in making income tax returns to dominion, provincial and municipal governments. These small users of radios claim that they have paid for their radios, that they have paid the dominion government a fee of $2, and they want to know what use their radios will be if they cannot get music from the broadcasting stations without additional expense. The minimum fee is $5, with increases up to a maximum beyond all reason.

I appeal again to hon. members to give sympathetic consideration to this bill. The amendments suggested therein affect every constituency in the dominion, no matter how large or how small it may be. I could not possibly read these amendments myself, so I ask the Clerk to be good enough to read them in order that the house may have a clear conception of their meaning.

Hon. FERNAND RINFRET (Secretary of State): Mr. Speaker, I wish first to congratulate the hon. member for Kootenay West (Mr. Esling) upon the sincerity of his purpose and upon the constant study he has given to copyright matters. The hon. member has participated in every debate which we have had on this question during a number of years, and has shown considerable moderation in the presentation of his views, which I must say I cannot altogether share. I hesitate to recommend the adoption of this bill. Perhaps I can put the position more clearly by saying that I cannot recommend its acceptance as I do not consider this to be the opportune moment to offer such amendments. The amendments themselves are not acceptable.

Last year the Copyright Act was amended very materially. All matters of copyright which concerned the Canadian Performing Right Society were inquired into by Judge Parker during 1935. His report was received after an exhaustive study had been made of the situation. The government last year brought down amendments to give effect to that report, and the amendments covered very fully the recommendations which were made by Judge Parker. Those amendments were submitted to the house and were adopted both in this house and in the other chamber. The bill went before a committee of the senate, and I remember that over there the senators recommended that a fair trial be given to the recommendations made by Judge Parker; that we should let time prove to what extent they were desirable. I must repeat that both points which have been made by my hon. friend to-night and which

are covered by his bill were very fully covered in the report of Judge Parker, and in both cases his conclusions were quite different from those at which my hon. friend has arrived.

As the house will remember, the bill that was put through last year provided for the appointment of an appeal board to which these question of the performing rights of musical compositions could be referred. The bill provided that the fees of the performing right society should be filed by the month of November, and if any objection were taken to them, those objections were to be referred to an appeal board. The appeal board, which was set up in December, is composed of Mr. Justice Maclean, a judge of the exchequer court, the under-secretary of state, Mr. Coleman, and a lawyer from the Department of Justice, Mr. Fontaine. The fees of the performing right society were published in the Canada Gazette of November 7; the board heard the objections to them and listened to representations from both sides, and on January 2 the Canada Gazette published the revised tariffs which are to prevail during the year 1937.

I appeal to the house: After both chambers have approved the bill which provides for this tribunal to hear both sides and to act as arbitrators in the matter, and after the fees have already been arbitrated and are now officially in force for the year 1937, is it reasonable, only one month after this is done, to ask the House of Commons to amend the act further and to change the whole situation by act of parliament? I do not think it is. I think the least we can do is to let things go along as they stand and to watch the results of that arbitration, which was a compromise effort to bring together the representatives of the performers on the one side, and of the society, representing the composers, on the other.

I know there is in this house quite a considerable body of opinion that even as now existing the performing rights of the Canadian Performing Right Society are exacting. I say that purposely for, because of my own views and feelings on the matter and because of a desire for good will of the government, I resent very much the stand taken during last session by societies of authors and composers who cursed the government and who directed against the member of the government in charge of this bill a certain literature which was very unworthy and very unjust, when I do stand here in the honesty of my purpose to reach a compromise in this matter that will be fair to the composers, on the one hand, and to the performers and the public on the other.

With the discussion which took place last year,—and I must say in all fairness that it did take place somewhat late in the session and therefore perhaps did not afford the fullest expression of views from all corners of the house—I think the authors and composers must have felt that with the bill we did propose we were standing as a protection between them and the feelings of quite a number of hon. members representing the public in this country. But the house did give its confidence to the government; as I said, the bill was before a committee of the senate, and the senate took the attitude that it was worth while to try this experiment of having an arbitration exercised in this matter by the tribunal which I have just described.

I say again, Mr. Speaker, that it is not opportune, now that these tariffs have been in force for only a few weeks, to ask the house further to amend the Copyright Act and to throw overboard all that we did last year.

I also wish to say that notwithstanding that general view of the question, I cannot accept, at least for the present, either of the amendments which my hon. friend proposes in his bill. In the first section of his bill my hon. friend suggests that the performing right society should not only file a copy of its works with the department of the Secretary of State, but also, when a licence is applied for, furnish to each applicant a complete list of all the works so filed. That, at first sight, may appear to be a fair demand, but it is absolutely in contradiction to the very spirit of copyright. When a copyright is filed with us or when a patent is applied for or when a trade mark is asked for, it is never stipulated that the owner of that copyright or patent or trade mark must supply the public with a description or a list of that thing, whatever it may be. Such a procedure, moreover, would not in the least apply in this specific case because here we are dealing with a society which controls the performances of practically all musical works of composers of the different countries of the world. It is because the society is of that kind that we maintained that we could control its prices notwithstanding the convention of Rome and the undertaking there given by Canada together with other countries. We have to deal with a very special case. We have to deal with a necessary monopoly, if I may put it in that way, and that is why we believe we are justified in having established a control of its tariffs. That is also a reason why we should not exact from the society, not merely the filing of all its musical compositions with the Department of the Secretary of State, but what my hon. friend further asks for, namely,

that whenever a licence is applied for the society should furnish a complete list of its musical compositions. I understand, Mr. Speaker, that the number of these compositions runs into a million, and the senate last year amended the bill to make it read that only musical pieces in current use should be filed with my department. So, least of all, should my hon. friend ask that the act should be amended in such a way as to force that society to supply a complete list of its works to the public. I insist also that this is not practical. Inasmuch as the society collects a licence fee which covers all musical compositions, there is no practical use in any member of the public having a complete list because the licence covers them all. Dealing with that particular point, I might add that Judge Parker was very clear in his report that the filing of such a list was not practicable. Let me quote from his report at page 33 on the filing of lists. The judge said:

> When it is shown by program analysis that of the 25,982 musical numbers performed in Canada in 1934 only 4,841 numbers were controlled by Performing Right Society and 4,370 numbers were controlled by all other European Societies, it seems absurd and significant that Canadian Performing Right Society should waste time and money on filing a list of the works that possibly never have been and never may be performed in Canada.

That is the statement made by the judge who inquired very fully into this situation. Therefore I say that it is neither practicable nor justifiable to ask from that society not only the filing of their lists with the department of the Secretary of State but the supplying of those lists—which would be voluminous and very costly—to all applicants for licences.

As to the second section of the bill of my hon. friend, I shall be very frank about it and say that some day may come when his wish will seem acceptable and when it will appear that we have reached the point which is dealt with in that section. But again I say I do not think it would be advisable to accept that amendment now. If the hon. member will refer to the terms of the convention of Rome, 1928, which is the amended convention of that of Berne, he will find that in article 13 this very point is covered. Let me read article 13 of the convention of Rome:

> The authors of musical works shall have the exclusive right of authorizing (1) the adaptation of those works to instruments which can reproduce them mechanically; and (2) the public performance of the said works by means of these instruments.

I again point out No. 2, "The public performance of the said works by means of these instruments." This means the performance of such works by a corporation or a radio operating in a public place, and that is exactly what is covered by what my hon. friend wants his amendment to strike out from our Copyright Act. The matter was dealt with by Judge Parker in his report, and if my hon. friend refers to it he will find that under different titles—page 34, concerning the broadcasting tariff; page 40, the hotel tariff; page 42, the parks, small fairs and community halls tariff; and page 43, restaurants, skating rinks, et cetera— Judge Parker has recommended a lower minimum than the one which was requested by the society. He has maintained the principle that these small places should pay at least a minimum licence fee, and that is what has been maintained by the appeal board, as will be seen if anybody refers to the tariff filed and published in the Canada Gazette of January 2.

Therefore, Mr. Speaker, I think we should avoid bringing in this year further amendments to the Copyright Act, and should especially avoid these amendments, because they have been dealt with by the judge, by the house, by the senate and by the appeal board, and in every case a decision has been arrived at which is totally different from the one that is proposed in this bill.

In conclusion I may say I know that the Copyright Act, like any other act, is perfectible, and I know by my own experience with these matters—and it has not been very pleasant all the time—that there exists a great difference of view in this country about copyright. At the same time I believe we have gone as far as possible to meet the desires of the public and to curb the activities of the Canadian Performing Right Society, and by going further at present we would risk ignoring the rights of the owners themselves, who after all also deserve consideration.

As I say, the new tariff has been in force for only one month; the appeal court sat about five or six weeks ago, and it would be a great mistake not to allow several months to pass and permit this new experiment, this new arbitration, to work itself for the time being. Therefore, while not compromising any future consideration that we may have of the act, I cannot see my way clear to accepting the bill as it is, and I shall have to recommend to the house not to pass its second reading.

May I add that there should have been an international conference in Brussels last fall. For several reasons it unfortunately did not take place, but it is contemplated that the various nations which were parties to the conventions of Berne and Rome will meet either this fall or perhaps in the spring of

1938. This, I believe, is a further reason why we should not disturb the amendments that we have brought to the act in the course of the last session.

Mr. A. W. NEILL (Comox-Alberni): I am sorry that the minister has announced his intention of declaring "thumbs down" on this bill, and particularly so at this stage, before he allowed the ordinary members of the house, other than the introducer, any opportunity to express their views. It is customary, I think, to hear what may be said by the various members and for the government, ostensibly at least, to sum up the situation and announce their decision. In this case the decision has been given first. Nevertheless I feel impelled by the interests that my constituents and I have in this matter to support the hon. member for Kootenay West (Mr. Esling), and I congratulate him upon the attitude he has taken and the very able manner in which he has expressed himself.

Dealing with the remarks of the minister, I believe he took a somewhat different view of the bill from that which is justified by its terms. The minister said or suggested that the hon. member was trying to change the whole set-up of the radio act. I do not think a consideration of the bill bears out that statement. There is no suggestion of material change, and certainly there is no suggestion and no attempt to change the arbitration features of it which were in the good act which the minister introduced last year, and which were a very good thing indeed. The bill does not in any way interfere with them.

The minister talks about the amendments not being opportune, and says that we are proposing to amend a bill which was introduced or passed only last year. It is always opportune to correct a grievance or an error, and I think the history of parliamentary practice and of legislation will show that it is quite a common thing to amend an act a year after it has been passed because experience has shown a need for amendment. I imagine that was the motive of the hon. member for Kootenay West in bringing in this bill. My personal complaint would rather be, not altogether as to the charges that have been proposed there, but as to the method of computing them, and I shall deal with that a little later on.

The hon. member for Kootenay West, as he stated, asks two things. He suggests that the company should give out a list of all articles or songs or music over which they claim the exclusive control. I do not think that is unreasonable. When the agent of the company comes around to these small people and says "I want to collect so much from you," and the man says, "What is it for?" and the agent says, "Why, you are using or you are going to use articles or music of which we have the sole control," I do not think it is unreasonable for the man to say, "Well, show me your authority or show me your ownership."

As regards the alleged enormous cost of printing these titles, I suppose this would be only the titles of these various songs or pieces of music. It is surely not unreasonable to suppose that this company, who claim that they own them and have obtained the exclusive copyright in them or had it assigned to them, have a list of what they possess, and if they have it, the actual cost of printing it would be very small indeed. They claim that they have had this copyright assigned to them in many cases, I think, and that they collect these charges and allocate them or at least a portion of them to the authors. How are they going to know where the authors are, or who they are, or what they shall allocate to them if they have not a list? I do not think the company themselves would dare to say that they have not a complete list of all the articles over which they have jurisdiction, and if that is so, the cost of reprinting the list would be trivial. Otherwise it leaves the door open for the company to come forward and make a claim to ownership of articles and music to which they have no right, and we are utterly helpless and in their hands and are obliged to pay up, in total ignorance as to whether they have the least elemental right to some of the things over which they claim jurisdiction. Surely it ought to be open to any man running some small place such as a restaurant to say, "I will not use any of the music over which you claim to have jurisdiction, any music to which you claim sole rights, but you tell me exactly what those are and I will make use of the others." But, no. The agent simply comes along and says, "We claim jurisdiction over practically everything that is printed," and the man has to pay.

The bill proposes to do away with charges for the use of radios or gramophones in certain hotels, public halls and stores, but it does not apply to theatres or other such places; it is only the smaller halls, restaurants, stores and so on. As the hon. member who introduced this bill points out, the radio broadcasting stations pay $70,000 to this copyright society—some people would call it a racketeering society. This is supposed to cover compensation for private and domestic use only.

The purpose of the bill is to make it cover also the use of music in small stores or halls, hotels, skating rinks and the like.

I would call attention to the method by which these charges are computed and ask hon. members whether they think it reasonable or conducive to the ordinary running of a business. I am not referring now to the big departmental houses that can afford to employ lawyers, statisticians and mathematicians to calculate the fees; I am referring to the man who runs a small business such as a hotel, a pool-room, a Greek restaurant, or a barber shop. One of these agents will come along and, as the hon. member has said, use strong-arm methods. He will say, "We want to collect $18 from you"; the pool-room man will reply that only a short time ago he paid $25, and he will ask what the extra charge is for. The agent replies, "Never mind what it is for; these are the charges; you can calculate them for yourself, and if you don't pay up you will be prosecuted," and he immediately produces a list of successful prosecutions. They have always been successful in their prosecutions, because in days gone by they had an iron-clad law behind them, and they would threaten—the hon. member for Kootenay West was justified in using that word—about what would be done if the victim did not pay up at once. This small man is perhaps not too familiar with the English language, or too well educated, even if he should happen to be of British birth; how then is he to cope with a situation such as this?

I propose to read to the house the method by which the charge is arrived at. This is in connection with halls, restaurants, skating rinks and stores, and it gives the fees "on maximum basis," whatever that may be. On that basis the rates are so much. These are not maximum charges but charges on maximum basis, and further on it deals with charges "on actual basis." There is always a minimum fee to begin with. What I shall read consists of 144 words and it is all one sentence. There are only a few commas in it and I shall indicate them, so that I may not be accused of trying to make it out to be worse than it is. After I have read it through, if any hon. member can assure me that he understands it I shall sit down and make no further objection to this racket. The clause reads:

> The rate is one and one-half cents for each "performer hour" for a licence covering the maximum number of "performer hours," the maximum of "performer hours" being determined by multiplying the maximum number of performers (including musicians, orchestra leader and vocalists) that may be employed at any time during the licence year by the maximum number of hours of all or any musical performance during which is desired a licence to perform in any day during the licence year wholly or in part from the society's repertoire, by the maximum number of days for which a licence is desired in any week in the licence year, by the same number as the number of weeks occurring between the opening and closing dates of the period of time within which musical performances may take place, but in no case by a number less than thirteen (weeks).

Does anyone know what figure is charged there? Some suspicion of this question seems to have dawned on the man who drafted it because he goes on to say what the actual basis is. What I have just read is the maximum basis, but on actual basis the rate is as follows:

> The rate is three cents for each "performer hour" for a licence covering all actual hours of musical performance during the licence year.
>
> A payment is required on account and in advance equal to the amount due at the above rate on the total "performer hours" as estimated by the applicant, the advance payment to be not less than $5.
>
> The licensee is required to report, at the end of the licence year or of each operating season within the licence year, the actual number of "performer hours" during such period, giving dates and times of all musical performances and the number of performers engaged thereat, the licensee at such times to make payment of any balance due.

Next we come to hotels:

> The fee payable is determined as follows:
>
> (1) An initial payment is required annually in advance in an amount calculated at the rate of 10 cents per room charged on the total room capacity of the hotel, the minimum initial payment being $15.
>
> (2) At the end of each quarter an additional payment is required in an amount determined by multiplying the number of rooms in the hotel by the units of performance, by the number of months within which music is at times performed, by the rate (1 cent or less).

This is not quite clear and so the draftsman undertakes to explain it:

> The rate is determined as follows:
>
> If the hotel's average daily occupancy in the months within which music is at times performed is 80 per cent or over, the rate is 1 cent. If occupancy falls below 80 per cent, the rate is 1 cent less a deduction of 2 per cent thereof for each 1 per cent that occupancy falls below 80 per cent.

This is as clear as mud; the barman or the man who cleans boots could figure it out.

Mr. BOTHWELL: What is the hon. member quoting from? Has it been approved by the department?

Mr. NEILL: Yes; it is from the Canada Gazette of January 2.

An hon. MEMBER: One can hardly believe it.

Mr. NEILL: But the worst is yet to come. Let us see what "units of performance" are:

	Units
Music at lunch time (12 noon to 2 p.m.)	2
Music at tea time (2 p.m. to 5 p.m.)	2
Music at dinner time (5 p.m. to 8 p.m.)	2

And so on. Payments are made on as high as ten units. The following example is given:

An hotel having 250 rooms—initial payment	$25
On 4 units of performance during only 2 months of the quarter, the average daily occupancy being 70 per cent during the 2 months—additional quarterly fee (250 x 4 x 2 x ·8 cents)	$16

It works out that it is $16. I would rather pay the $16 than go through the calculation.

That, then, is what one would call the fundamental charge, then there are extras. If a hotel has a radio in a public room there is an extra charge for the number of bedrooms. Then there is a charge for an occasional entertainment, or for a single entertainment. If that does not lend itself to unhindered extortion I do not know what does. Of course it is useless to argue, because the minister has given his ultimatum. I can only say that a great many people in Canada think of this society as the hon. member for Kootenay West and I do, that it is a racket.

Some hon. MEMBERS: Hear, hear.

Mr. N. J. M. LOCKHART (Lincoln): May I add a word in regard to the interpretation of this law? It has been my experience to follow very closely the application of this act to benevolent societies and fraternal and friendly organizations. I shall cite a particular instance, relating to a building in which I am interested as chairman of the trustee board. The inspector of the society attended a gathering there as a detective and then wrote a letter stating definitely that the program included four items subject to fees. When a request was sent in to get a list of the protected numbers, the answer came back from the society that they did not furnish lists. I contend that fraternal organizations which during the past five years have been making an earnest effort to raise funds to take care of less fortunate members should at least have the protection of being provided with a list of numbers which they may not play unless they pay a licence fee. I know many hon. members have had experiences similar to mine in this matter. Fraternal organizations, church societies and similar groups, which have been trying to raise money to distribute to less fortunate people, find themselves compelled to pay these fees. The society should at least be required to provide a list of its protected works; then it would be easy for small groups, where the orchestra may consist of only a piano and two other instruments, to avoid playing numbers licensed by this society. These small organizations, carrying on useful social and benevolent and fraternal work in this country, should have that protection.

The house divided on the motion (Mr. Esling), which was negatived on the following division:

YEAS

Messrs:

Anderson
Barber
Beaubier
Black (Yukon)
Blackmore
Casselman
Church
Clarke (Rosedale)
Coldwell
Deachman
Douglas
Elliott (Kindersley)
Esling
Fair
Graydon
Green
Hansell
Heaps
Hyndman
Jaques
Jean
Johnston (Bow River)
Kuhl
Landeryou
Lennard
Lockhart
MacInnis
MacNeil
MacNicol
McCuaig
McDonald (Souris)
McGregor
McNiven (Regina City)
Marshall
Massey
Maybank
Mitchell
Needham
Neill
Pelletier
Perley (Qu'Appelle)
Perley, Sir George
Pouliot
Quelch
Ross (St. Paul's)
Senn
Spence
Stewart
Stirling
Streight
Taylor (Nanaimo)
Thompson
Tolmie
Tustin
Walsh
Wermenlinger
White
Woodsworth—58.

NAYS

Messrs:

Ahearn
Barry
Beaubien
Bertrand (Prescott)
Bertrand (Laurier)
Black (Chateauguay-Huntingdon)
Blair
Blanchette
Bradette
Brasset
Campbell
Cardin
Chevrier
Clark (York-Sunbury)
Cleaver
Cochrane
Crerar
Crète
Denis
Deslauriers
Duffus
Dunning
Dupuis
Dussault
Emmerson
Evans
Factor
Fafard
Ferguson
Ferland
Ferron
Fiset, Sir Eugène
Fleming
Fontaine
Fournier (Maisonneuve-Rosemount)
Furniss
Gardiner
Gariépy
Gauthier
Girouard
Glen
Golding
Gosselin

Goulet	McNevin (Victoria, Ont.)
Gray	McPhee
Hanson	Mallette
Howe	Mercier
Hurtubise	Michaud
Ilsley	Mullins
Jacobs	Mulock
Kinley	O'Neill
Kirk	Patterson
Lacombe	Purdy
Lacroix (Quebec-Montmorency)	Reid
Lalonde	Rhéaume
Lapointe (Matapedia-Matane)	Rinfret
Lapointe (Quebec East)	Robichaud
Little	Rogers
MacKinnon (Edmonton West)	Ross (Middlesex East)
MacLean (Prince)	Ross (Moose Jaw)
MacLennan	St-Père
McCann	Sinclair
McCulloch	Sylvestre
McDonald (Pontiac)	Tomlinson
McKay	Turgeon
McLean (Simcoe East)	Weir
	Wood
	Young—91.

Mr. BENNETT: I was paired with the right hon. the Prime Minister (Mr. Mackenzie King), and therefore could not vote. Had I voted I would have voted for the motion.

Mr. ELLIOTT (Middlesex): I was paired with the hon. member for Waterloo South (Mr. Edwards). Had I voted I would have voted against the motion.

Mr. MARTIN: I was paired with the hon. member for Hamilton East (Mr. Brown). Had I voted I would have voted against the motion.

HOME IMPROVEMENT LOANS

PROVISION TO ENCOURAGE REPAIRS OF RURAL AND URBAN DWELLINGS

The house resumed consideration in committee of Bill No. 11, to increase employment by encouraging the repair of rural and urban homes—Mr. Dunning—Mr. Sanderson in the chair.

On section 2—Definitions.

Mr. POULIOT: Are the regulations for the guidance of the officials of the Department of Finance or of the lending institutions?

Mr. DUNNING: Of the Department of Finance.

Mr. POULIOT: But are there any loans which would come to the department for approval, or will the department approve the loans which will be made by the institutions? If John desires to borrow a thousand dollars for repairs, would he go to the Department of Finance or to the bank?

[Mr. Lockhart.]

Mr. DUNNING: To the bank.

Mr. POULIOT: Therefore most of the regulations are for the guidance of the banks which lend money to private individuals. So far as I can understand, the department guarantees part of the possible losses made by the lending institutions. I believe the minister agrees with that. What statute under his department has control of this lending business? I believe there is a Mr. Nicolls. Are there others besides Mr. Nicolls, who look after this matter?

Mr. DUNNING: There is a small staff in connection with the housing act, which is not this bill, which is being used in connection with the home improvement plan. Under the regulations as at present existing, lending institutions making loans are required to send to the department fortnightly all the applications which they have received in order that they may be checked to ensure that the lending institutions are complying with the conditions of the regulations so that they may come under the guarantee of fifteen per cent contemplated by the legislation.

Mr. POULIOT: Supposing Joe wants to borrow some money; he will go direct to the bank and not to the department?

Mr. DUNNING: That is right.

Mr. POULIOT: The department has a check only on loans made and does not approve or disapprove them when they are being made?

Mr. DUNNING: When an application reaches the department, if it is apparent that it does not fall within the scope of the legislation, if for any reason the purpose of the loan is not covered by the measure, the lending institution will be advised that the guarantee of the government will not apply to that particular loan. It is necessary for the department to be certain that loans are being properly made. Before a guarantee can be given, the department must assure itself that a loan is a bona fide one within the terms of the legislation.

Mr. POULIOT: When a bank makes a loan which is not in accordance with the departmental regulations, such a loan would be made at the bank's risk?

Mr. DUNNING: That is true.

Mr. POULIOT: It would be made by the bank before being approved by the department. The department could refuse to approve a loan and no guarantee would be given on such a loan?

Mr. DUNNING: That is quite correct. Loans are reported to the department after they are made. The department examines the forms provided for the purpose in order to see that the loans have been made under the conditions prescribed by the regulations and the act. If, in the opinion of the department, a loan does not come within that category, the bank or lending institution will be in the position of having made a loan without having a government guarantee with respect to it.

Mr. POULIOT: Supposing someone asks for a loan and is refused; can he go to his member to ask for a recommendation that such loan be made?

Mr. DUNNING: I must point out that the discretion with respect to the credit of the individual applying for a loan is with the lending institutions. We have attempted to eliminate a great deal of the red tape associated with small loans and have prescribed the limit of discount which may be charged. There must be no endorser or other collateral asked for; it must be a loan upon the personal credit of the individual. We do not take any steps to influence a bank to lend to one man or to another; the bank must be the judge of the individual's credit standing. I know of nothing which would be a surer way of involving the full guarantee of the dominion than to create a situation whereby pressure could be brought to bear upon the lending institution to make loans in particular cases. I think that would be very bad for the plan. The criticism with respect to this might be that the banks may not be reasonably sympathetic. I may point out that committees are to be formed in local communities all over Canada. If, because of some technicality, a bank is unable to grant a loan, it will be the duty of the committee to investigate the case and, if possible, to adjust the technicalities in order that the loan may be made.

I cannot make it too clear that the lending institution must be the judge of the character of the applicant. We cannot pretend to set up, in connection with the hundreds of thousands of loans which we hope and believe will be made under this law, machinery whereby the government could insist upon a loan being made to John Jones or William Smith. Certainly if a complaint is received by the department that a branch of a bank is adopting an arbitrary attitude or is unwilling to proceed in accordance with the legislation, the department will take up the matter and ask for an explanation as to why cooperation is not forthcoming from this branch as it is from others. I think to ask the department to interfere with respect to particular cases, to insist upon a loan being granted to a particular individual, would defeat one of the major purposes of the bill. I may say I have had no complaint in that regard during the period which has elapsed since the plan has been in force.

Mr. POULIOT: I was not intending to criticize the banks; they lend the money and they must take the greater risk. I wanted to have it made clear to the committee that these loans were to be made without any political consideration.

Mr. DUNNING: Quite.

Mr. POULIOT: That is what I wanted to make clear. Without abusing the generosity of the hon. gentleman, I should like to ask him the fundamental difference between this legislation and the housing act. Also, what salary is paid to Mr. Nicolls and to his assistants in the Department of Finance?

Mr. DUNNING: I think I might be excused from attempting to answer the first question. Obviously the housing act and the bill now before the committee were each designed for entirely different purposes. They have no relation whatsoever to each other. The official in charge receives a salary of $4,800, and there are two other assistants in that branch of the department.

Mr. POULIOT: According to what the minister has said, the work performed by Mr. Nicolls is not that of an architect; he is doing the work of a checker.

Mr. DUNNING: No. Mr. Nicolls is a qualified architect and a qualified architect is required in connection with the administration of the housing act. There are many aspects of this legislation which make the technical knowledge of an architect quite useful. Mr. Nicolls was appointed under the housing act, and when this work came along, instead of other officials being appointed, Mr. Nicolls was put in charge with one additional member being added to his staff. At the present time three people, including Mr. Nicolls, are carrying on this work. As to whether it will be necessary to expand the staff by the appointment of checkers and that sort of thing will depend upon our future experience.

Mr. POULIOT: Is it possible to get plans from Mr. Nicolls, the architect?

Mr. DUNNING: I do not want to confuse two things. We are discussing section 2 of this bill. Under the general housing act I shall be very glad to give information on any

particular. As a matter of fact, the housing administration of the Department of Finance has been and is supplying to-day literally hundreds of modern plans for use.

Mr. MacNICOL: Free of charge?

Mr. DUNNING: It is 25 or 50 cents for a booklet containing a number of plans. I am not too positive, but I shall see that my hon. friend gets the information. It is just a nominal charge. The demand for these plans has been very great indeed.

Mr. HEAPS: Just before the dinner hour recess I was suggesting that if at all feasible a certain amount of supervision should be exercised over the loans made under the provisions of this bill. I know it would be rather difficult to have supervision exercised by a central authority when loans are being made throughout the dominion, but I believe that in order to assure the proper and efficient working of this bill something along that line ought to be done.

Mr. DUNNING: To supervise what?

Mr. HEAPS? To see that the money is properly spent.

Mr. DUNNING: Properly spent?

Mr. HEAPS: Yes, and that there is nothing wrong so far as the lending of the money is concerned, that more is not being charged by certain corporations which shall be designated as lending corporations. Certain organizations might be lending corporations and be supplying materials too, and they should not be allowed to overcharge their customers for the materials used. All these abuses are liable to creep into work of this kind. A person goes to the bank and says: I want a loan of $500 or $1,000 to repair certain property. What is there beyond that which the bank or anybody else knows how the money is going to be utilized? I wonder whether there is not some form of supervision that could be exercised by say, local authorities. Is any power granted to them to exercise a certain amount of supervision, or is a person who is seeking to borrow money compelled to bring in some form of document to show how the money is going to be used? I make this suggestion because in the past I have had a little experience in housing operations, and I know something of how money has been spent, even squandered at times, after it has been lent. I know the difficulty which provincial governments have to-day in repaying money that was borrowed under the housing act of 1919 just because of lack of supervision at that time. This time I hope, whether it is a federal housing act or an act for the purposes of rehabilitation, that proper supervision will be exercised to see that the money is spent properly and to the advantage of the individual concerned and the country as a whole.

Mr. MASSEY: Mr. Chairman, in the discussion before the dinner recess the hon. member for Royal (Mr. Brooks) asked a question of the minister relative to what was a home, and he furnished the reply that in the rural areas a home included any barns and outbuildings of various kinds. It seems to me that it would be wise in section 2 to include a definition of what a home is under this legislation. The minister understands, and his law officers understand, but the local bank may not understand and this may cause difficulty and delay, whereas if there was a definition in the bill that delay might be obviated. I would suggest that the minister consider including a fifth definition under paragraph (e) of what is a home under this measure.

Mr. DUNNING: As a matter of fact, in our first draft of the legislation we attempted to arrive at more specific definitions, but as the work went on for the first two months the differences which arose between localities caused us constantly to consider widening the definition of a home. If my hon. friend will look forward to section 8, paragraph (e), he will find that provision is made for regulations in regard to the definition of rural and urban homes:

> "Rural and urban homes," with power to include in such expression all such property as may reasonably be considered as part of a rural or urban home.

I thought that the committee might reasonably want to have that more closely defined, but I frankly confess that I had some difficulty with regard to it in actual operation. For instance, there had to be a regulation with regard to new houses that a man had built but had not quite finished. Should we deal with those? There had also to be regulations with respect to the inclusion of certain buildings with a farm house. Shall a barn or a garage be included? Shall a summer cottage be eligible? Then, with regard to combined stores and dwellings, we had to evolve a regulation to provide that the plan would not be abused by being used for commercial rather than dwelling purposes. That is a matter of some difficulty, as my hon. friend will understand. Tourist cabins—there was a thorny question.

Mr. MASSEY: A temporary home.

Mr. DUNNING: I could go on over a couple of pages instancing the degrees of variation which arise, and which caused me finally to decide to recommend to the committee that we be given power by regulation to make definitions subject to that qualification I have just quoted, "which may reasonably be considered as part of a rural or urban home." On consideration I felt that that was the best solution.

With respect to the suggestion of the hon. member for Winnipeg North (Mr. Heaps), I am afraid we are rather at cross-purposes. He speaks of the necessity for supervision in order to see that the money is spent for the purpose for which it is loaned. Well, Mr. Chairman, if this plan is to succeed in its major objective, which is to create work by encouraging people to do hundreds of thousands of small jobs, effectively to follow the money to its ultimate spending by the individual who borrows it in small amounts is virtually impossible, and I believe it would be regarded by borrowers generally of small sums of from one to three hundred dollars as more of what is generally described as governmental red tape. Only this afternoon I had a criticism from a member about what? About the information demanded of a man before he could get a loan. You see, we get it coming and going. In the one case we have not enough supervision, and in the other the criticism is that we have too much. I would point out to the hon. member for Winnipeg North, who I know is desirous of assisting, not of blocking, the plan, that the application for a home improvement loan must be made on a form approved by the department, and it is the only form the use of which properly filled out will qualify the lending institution to get the government guarantee with respect to the amount loaned in the particular case. That form asks for a complete description of the repairs intended, along with much other information—my hon. friend criticized the amount of information asked for—and it winds up by saying—this is the borrower authorizing the lender:

> I authorize you to obtain such information as you may require concerning the above statement, and agree that it shall remain your property whether or not my note is finally accepted by you. I certify that if the loan is granted to me the entire proceeds will be used exclusively in payment for alterations, repairs and/or improvements on the property described above. I hereby affirm that the foregoing information is true and correct.

That is what the borrower says. When this form goes to the department, there is a certificate from the manager of the branch bank advancing the money:

> I certify that this day a loan for $..... for ..... months repayable in ..... instalments, was made to the above mentioned applicant for the purpose named by negotiating his note for $..... less discount of $..... calculated in accordance with the official tables, and having scrutinized and checked this application with the care ordinarily required of me by the bank, I certify to the best of my knowledge that the conditions and purpose of this loan are such as qualify it for the dominion government guarantee under the home improvement plan.

That is signed then by the bank manager. The information which appears on the form, the affirmation of the borrower, represents the distance which we believe we should go in creating red tape in the form of supervision around the expenditure of this money. After all, the people who will be borrowing this money are not well-off people. It is a loan. It must be paid back. Community interest in the plan involves that a considerable number of people will know what is going on, and I think in that widespread publicity and in the community nature of the enterprise rests our major protection against wrongful use of the money, together, of course, with the affirmation and with the penalty further on in the bill with regard to misrepresentation and obtaining a loan not in accordance with the provisions.

Mr. LAWSON: Section 2 (a) of the bill defines "approved lending institution" as one which is approved by the governor in council. I understood the Minister of Finance (Mr. Dunning) to say this afternoon that loan companies have not been and would not be approved as approved lending institutions.

Mr. DUNNING: I would not say we would not approve them, but they—

Mr. LAWSON: I am sorry; I intended to say mortgage companies. Can the minister suggest to me any institutions now in existence in this country, other than banks, which might come within the terms of an approved lending institution, with the possible exception of such an one as he suggested this afternoon, which was apparently created by one phase of the building trades to extend credits for the purpose of carrying on this business?

Mr. DUNNING: Well, so far I have mentioned the one concern in addition to the banks.

Mr. LAWSON: Plumbing.

Mr. DUNNING: And another concern—I suppose I had better not mention names unless it is really necessary—which deals with a very wide range of commodities, has no regular finance subsidiary but is operating through one of the chartered banks. The banks are filling the gap to which my hon. friend refers in that case and are gradually branching out into others. Another concern, a very large supplier of materials, which has no subsidiary, has in the past financed direct through dealers. They themselves are not lending institutions and therefore, as my hon. friend points out, we could not approve them, but this concern has expressed a willingness to go ahead making these loans on its own responsibility without government guarantee and in accordance with the financial conditions laid down in this bill, and its operations, I may say, cover a very wide range of supplies. One of the type of institutions known as acceptance corporations, which states that it cannot accept our low interest charge, may nevertheless work out a special arrangement with one of the large suppliers under which it will do the financing but with the supplier making up to it the difference between the rates called for by the legislation and the rates which the acceptance corporation deems it necessary for it to have in connection with its business. That latter arrangement has not yet been approved; there are some features of it which I am naturally doubtful, for reasons which will occur to my hon. friend, but in the main, I must say, the banks are displaying a very cooperative attitude in regard to the matter.

Mr. LAWSON: I am not doubting that in the least, but it appears to me that the institutions which would be carrying out this legislation by advancing the money would in the main, of necessity, be the banks.

Mr. DUNNING: Yes.

Mr. LAWSON: For example, the minister mentioned this afternoon one concern, a plumbing and supply company. Would they be loaning amounts in excess of the purchase price of materials which might be purchased from them or some of their subsidiaries or affiliated companies?

Mr. DUNNING: Yes.

Mr. TOLMIE: I should like to ask the minister for a list of those institutions which are authorized to make loans in British Columbia.

Mr. DUNNING: All of the chartered banks.

[Mr. Lawson.]

Mr. BENNETT: The trust companies?

Mr. DUNNING: No trust companies have yet come in.

Mr. MASSEY: I trust the minister will not think that I am trying to obstruct unduly. I am trying to be constructive rather than destructive. But let me return to a point that was discussed a few moments ago. I learned my draftsmanship on a board with a T-square and compass, not with a pencil and law books and an imagination, but it seems to me that the brochure which has been issued and a copy of which I have in my hand is peculiarly clear on the inside back page, page 15, where it lays down the kind of improvements that are allowed under the home improvement plan. The last paragraph states:

In other words, whatever permanently improves the property.

I see no language to that effect in the bill.

Mr. DUNNING: No.

Mr. MASSEY: What I am getting at is this: Somewhere in a little town farmer Brown comes in to get a loan. He speaks to the banker, and the banker perhaps does not have a copy of this brochure before him.

Mr. DUNNING: That is just what he has, though.

Mr. MASSEY: He is going to have it?

Mr. DUNNING: He has it now.

Mr. MASSEY: Then the minister feels there will be no difficulty in regard to farmer Brown not being able to make his case perfectly clear?

Mr. DUNNING: No.

Mr. MASSEY: But the bill does not specify that.

Mr. DUNNING: I must confess that such difficulties as have so far arisen are due to the inventiveness of persons with respect to what constitutes an improvement to the home. That is, the difficulties met with so far are in restricting the matter to proper expenditures. For instance, we do not feel that loans can be made for detachable or movable equipment. A great deal of representation has been made with respect to certain kinds of movable equipment, but we do not think it would be sound to guarantee loans made for the purpose of getting an installation of something which merely plugs in and can therefore be removed as a piece of furniture. That is not, from the point of view of the department or the government, an improvement in the sense that the home improvement plan

calls for. But inasmuch as I shall probably not get the bill through committee to-night, I should like to assure the hon. member for Greenwood (Mr. Massey) that I shall give consideration to his suggestions as to, if possible, a somewhat broader definition, and see if I can make any suggestions when the bill is again before the committee.

Mr. MASSEY: The minister may be interested to know that the case I had in mind was that of one of my constituents who wanted to put a portable garage behind his house. He was told that was not "permanent;" it was not a permanent improvement because it was portable. He assured the official that he was not going to take it around with his car. However, there was some little dispute and the matter was delayed for two or three days, in the course of which the price of the portable garage went up. It was perhaps rather an absurd case to bring to the attention of the committee, but it seemed to me that if any delay of that kind could be obviated it would be to the benefit of the legislation.

Mr. MacNEIL: I should appreciate a further explanation from the minister as to the test to be applied to determine whether an applicant is credit-worthy, to use the term the minister himself used. I have in mind two types of applicants, the rancher on the coast who is not within easy access of a chartered bank or a lending institution, and the fisherman whose income is seasonal.

Mr. DUNNING: It is very difficult for me to answer in specific terms, because, as my hon. friend knows, credit is something that belongs to a man's own self and to the conditions under which he lives and under which he receives his income. I know of cases in which loans have been made where the income is seasonal, as in farming or fishing, but I could not attempt to lay down any specific rule to determine the credit-worthiness of an individual except to say this. Generally speaking, I am advised that these loans are being approached on the basis of character. But of course, even with respect to a man of good character, the lender is not doing a service to that individual by lending him something which it is quite apparent, from the man's circumstances and his prospective income, he cannot repay. All these considerations must enter into the determination of the question whether or not an individual loan should be made. I am sure that my hon. friend, who is familiar with the middle west, as I am, will acknowledge that many of us out there were considered more credit-worthy during one period of the history of the west at any rate than we turned out to be, and even some of my hon. friends from Toronto have had that experience as well as those of us from the west.

Mr. McIVOR: It would depend upon the lender; a particular lender might consider a man credit-worthy. Suppose a banker in Fort William were asked for a loan; he might be more willing to lend than a banker in Toronto. He might be more generous in a particular case. In this respect, therefore, I am glad that no supervisor is necessary, because that will eliminate expense. Any banker in the community, before he lends his money, will be sure that the borrower is worthy and that the loan will be of service to him.

Mr. DUNNING: As indicated last evening, the government is rather anxious to get a couple of departments into supply and therefore I move that the committee rise and report progress and ask leave to sit again.

Progress reported.

SUPPLY

The house in committee of supply, Mr. Sanderson in the chair.

DEPARTMENT OF NATIONAL REVENUE

Civil government—
Salaries, $916,375.
Contingencies, $110,000.

Mr. LAWSON: There is an increase of $35,000 in this item. Will the minister give a general outline to show whether the increase is caused merely by the normal advancement of civil service salaries or whether there are special items contributing to it.

Hon. J. L. ILSLEY (Minister of National Revenue): The hon. member will note that on the whole item the increase is not $35,000 but the difference between $30,285 and $35,000, or a net increase of $4,715. The increase is arrived at in this way. There is a decrease in salaries amounting to $30,285. This is due to the abolition of fourteen positions not further required, amounting to $19,435, and to the fact that twenty-five positions are occupied by temporary employees who were not made permanent as expected and whose salaries, amounting to $26,195, are provided for in the contingency item. In addition to those two sums there is a net saving, by the promotion of officers at lower salaries than those paid to their predecessors, of $6,405. The total of the three sums I have mentioned is $52,035, against which one must place statutory increases amounting to $21,750, leaving a net decrease in the

salary item of $30,285. Now I come to the increase in the contingency item. The increase in this item amounting to $35,000 is due to the transfer of the salaries of twenty-five temporary employees from the permanent vote, amounting to $26,195, plus $8,805 to provide a safe margin for future requirements.

Mr. LAWSON: The minister has me confused in a mass of figures. Are the detailed items included in item 14 on page 7 those set out in detail on page 83 of this year's estimates? If so, I wish to call something to his attention in connection with some details, in order to save my raising the point on each item.

Mr. ILSLEY: The answer is yes.

Mr. LAWSON: Thank you. In the estimates of 1936-37 which were before us last session, in several individual instances very substantial increases were shown over the previous year. If my recollection serves me aright, the minister explained those increases last year as being due to increased staff required to handle matters in the department. This year the minister in his estimates shows a decrease over last year, but a large increase over the year before, indicating that last year in the estimates he showed large increases which apparently were never required and never used. For example, take item 17 of the 1936-37 estimates, on page 83 of this year's estimates. This year it is shown as $49,080 as against $48,000 last year. The same item in the estimates of 1936-37 which were before us last session showed the estimated expenditure as $51,0000, as against $47,100 for the year before. The net result is that last year's estimates showed a very substantial increase, whereas this year it shows a decrease, but in reality there has been a steady increase in the item each year since this government has been in power. And I have picked only one item out of seven or eight which I could enumerate in this year's estimates. I should like to know what was the scheme or idea of inserting in last year's estimates vast increases which obviously were never required. Was it in order that this year the estimates might show a decrease?

Probably I should call the minister's attention to item 65 of last year's estimates—because it was the outstanding one— which would be item 52 in this year's, shown on page 83. This year the estimate shows $69,930. In the outside column it shows that last year there was voted $82,620. Therefore the minister says there is a decrease of approximately $13,000. On the other hand, if we take exactly the same item in last year's estimates, we find that last year it was increased from $63,000 to $82,620. I should like to know the explanation of that amazing apparent juggling of figures.

Mr. ILSLEY: I am unable to appreciate my hon. friend's adjectives, if he will pardon my saying so. The terms "vast" and "amazing" do not apply to these minor changes.

Mr. LAWSON: The sum of $13,000 is hardly minor.

Mr. ILSLEY: The first item my hon. friend pointed out is the one referring to head clerks, where the difference is between $48,000 for 1936-37 and $49,080 for 1937-38. I assume that difference would be due to statutory increases. As to the other item which my hon. friend mentioned, it is not correct to refer to that as item 52. The word "number" at the top of the left hand columns on page 83 relates to the number of persons employed. The number employed in 1936-37 was sixty-five, and for 1937-38 the estimated number is fifty-two. We apparently have been able to cut down somewhat on the staff, either that or they are in the temporary class instead of permanent. I think the latter is the proper explanation.

Mr. LAWSON: May I interrupt to make my point clear? If the minister will be good enough to look at last year's estimates—

Mr. ILSLEY: I do not have them before me.

Mr. LAWSON: Well, if he will accept my word that in the column of numbers in 1935-36 there were shown forty-nine persons employed, he now submits an estimate for sixty-five persons for this year, and asks for an increase from $63,000 to $82,620, or, in other words, an increase of $19,620. If we take the corresponding item for this year, it shows that instead of having sixty-five employees as contemplated, he had fifty-two. But according to the estimates submitted this year the committee and the country would be led to believe that the number of employees in that branch had been curtailed from sixty-five last year to fifty-two this year with a corresponding reduction of $13,000 in salaries.

Mr. ILSLEY: I may correct any erroneous impression the country might get on that point. Last year there were forty-nine stenographers, and they were permanent. It was expected, no doubt, that the number of permanents would be increased to sixty-five, but it was not deemed advisable, nor was it possible, to make them permanent, and so the number of permanents is only fifty-two, substantially what it was last year.

Mr. LAWSON: Three more.

Mr. ILSLEY: Yes; it is about where it was, instead of being considerably higher. No doubt this means that substantially the same number of stenographers are engaged, but they are still temporary. There is an increase in the contingency item equivalent to the decrease in the permanents.

Mr. LAWSON: And a little bit over.

Mr. ILSLEY: Yes, a little bit over.

Mr. COLDWELL: Does item No. 14 include customs appraisers?

Mr. ILSLEY: Only those at head office.

Mr. COLDWELL: Who is responsible for the regulations under which appraisals are made? Is it the minister, or are there certain officials in the department who advise the minister? Perhaps I can make myself clear in this way: I believe somewhere in a discussion of the estimates a question should be asked as to the regulations which have been made in the past year with respect to the $100 tourist exemption. When parliament prorogued, certain exemptions had been made, and following the prorogation of parliament apparently a number of regulations were issued to officials at customs offices. In many instances the regulations seemed to limit or to abolish the exemption.

For example, I have in mind regulations laid down in connection with radios. One could bring in a radio in his car, but could not bring in a radio attached to his automobile. I heard of an instance of a car coming into Canada with four new tires bought in the United States. The owner who crossed on the boat from Seattle to Vancouver or Victoria was warned that if the tires were on the car they were dutiable, but if they were off the car they could enter duty free. He took the tires off, ran the car in on the rims and brought the tires in duty free. May I add I was told that by an officer of the department. If such things can happen, then I say the provision in the budget has been made ridiculous by departmental regulations.

I have been looking for an item under which the matter may be discussed, and I thought this might be the proper place to do so. I have in mind difficulties which have arisen in Calgary and elsewhere in connection with persons who have imported radios and then have found themselves in the position of being liable to attack for the violation of certain patents. One point which seems to puzzle people in Canada, myself included, is how the companies concerned with the patents know, without access to or advice from the department, that an individual has imported a radio containing tubes which infringe patent regulations. Reviewing three or four striking cases which have been brought to my attention I believe the intention of parliament has been largely nullified by regulations which have been laid down. Either the exemption is good or it is not good. I think these facts should be brought to the attention of the minister and the officials with him so that through the minister they may be able to advise the committee as to the regulations which have been made.

Mr. ILSLEY: Before I say what I have in mind, may I read tariff item 703 (b) which states that the following goods are free under all tariffs.

(b) Goods valued at not more than one hundred dollars included in the baggage accompanying residents of Canada returning from abroad after an absence from Canada of not less than forty-eight hours and acquired by them for personal or household use or as souvenirs or gifts, but not bought on commission or as an accommodation for other persons or for sale, under regulations prescribed by the minister.

Then follows a proviso. The words to which I would draw the attention of the hon. member are these: "Included in the baggage accompanying residents of Canada returning from abroad." I am quite free to admit that the department has experienced difficulty with these words and has received quite a number of complaints from residents of Canada returning from abroad. Almost entirely their complaints have been limited to the two matters mentioned by the hon. member, namely radios installed in cars and tires mounted on the wheels of cars coming into Canada.

The view taken by the department and by myself was that unless we depart entirely from the language of the item, as the Department of National Revenue we cannot possibly declare that automobile tires on wheels, revolving and in use when they come into Canada, are goods "included in the baggage accompanying residents of Canada returning from abroad." Similarly the department has said, and I agree, that we cannot rule that a radio affixed to a car as part of it, used in the car abroad, and actually brought back into Canada as part of the car, could be described as goods "included in the baggage of the resident returning to Canada."

Mr. BENNETT: But if he detached it and put it into his trunk, it would be.

Mr. ILSLEY: Yes. We have tried to give this a rather liberal interpretation—

Mr. BENNETT: Conservative.

Mr. ILSLEY: The hon. member will bear in mind that the Department of National Revenue is an administrative department. We have to carry out the will of parliament as expressed in the items we are administering. Otherwise we would be making administrative law, rather than carrying out the will of parliament. We have gone so far as to say that if the returning resident brings back a radio sitting loosely in the back seat of his car we shall regard it as baggage. Further, we have gone so far as to say that if he brings tires back he may carry them with him or have them loosely in the back seat of his car and we shall regard them as baggage. But when they are part of the car we cannot say, without departing from the language of the section, they are part of his baggage. These are the reasons for the rulings which have been made. Whether or not there should be a change in the wording of the item, I cannot say; at present we are not concerned with that.

It is very unsafe for an administrative department to depart from the undoubted meaning of the language. If we did so it would be subversive of law.

Mr. COLDWELL: I can understand that, but I am pointing out what is a ridiculous state of affairs.

Mr. ILSLEY: That may be.

Mr. COLDWELL: A man may import four new tires into Canada if he carries them in on the back seat of his car. But if he has a blow-out in the United States, is forced to buy a new tire and run his car into Canada on that tire, it is classed as a new tire attached to the car, and he is liable to duty on it.

Mr. BENNETT: He always was.

Mr. COLDWELL: I cannot see that that is any different from a lady coming into Canada wearing a new pair of shoes because she lost her sole in the United States—I mean the sole of her shoe. I fail to see the difference. The minister may be right in stating that the department cannot depart from the language of the section, but I suggest it should make a recommendation regarding these matters so that they will not appear so ridiculous to the public. I hope, too, that the legislation will make the interpretation more liberal than it has been during the past year.

The other point I raised was in connection with patent infringements. I do not know just how this difficulty can be met, but I feel it is a serious matter. Here we have an exemption and then people who bring articles in receive letters from firms claiming to have a patent thereon. The feeling has become prevalent that these firms have access either to the local customs returns or to the files of the department.

Mr. ILSLEY: With regard to the last suggestion of the hon. member, that owners of patents have access to the files of the department, I want to say that such is not the fact.

Mr. COLDWELL: I am glad to have that assurance.

Mr. ILSLEY: They have no such access and if an application was made for any information, it would be refused. It has always been the law that a person importing a patented article for use or sale is liable to action. It has, however, never been part of the functions of the customs authorities to advise importers as to whether or not the importation of any article violates a patent. That is something upon which we are not qualified to advise.

Mr. HEAPS: How do they get to know about it?

Mr. JACOBS: Second sight.

Mr. ILSLEY: I do not know how patent owners learn that their patents are being infringed by importers, but I can think of many ways in which they might find out. Not long ago I heard of an instance where an exporter in the United States was advertising extensively that he was selling a certain patented article to Canadians. The owner of the patent in Canada immediately looked around to see where these were coming from, and I believe he started an action against some people.

Mr. MacNICOL: Very frequently importers tell others how cheaply they were able to buy an article in the United States and thus give themselves away.

Mr. LAWSON: My recollection is that there is a provision in the act permitting the inspection of invoice entries on payment of a nominal fee.

Mr. BENNETT: That is not available to anybody.

Mr. ILSLEY: No stranger.

Mr. LAWSON: It is limited to the importer?

Mr. ILSLEY: Yes.

Mr. WALSH: I should think it would be possible for the Minister of National Revenue to place a less liberal interpretation upon the section to which reference has just been made.

If my recollection serves me correctly, the debate which took place in this house on that particular item was not such as to justify the minister and his department in taking such a liberal view of importations of this kind. If the minister would allow his Scotch instinct to prevail, this ultra liberal view would not be in force in the department. Canadian tradesmen ought to be given a little consideration. I hardly think the person who signed the treaty with the United States republic in which this clause was embodied, anticipated an interpretation of this sort. If the minister were an ordinary layman travelling back and forth between the United States and Canada, he would realize how ridiculous is this interpretation. It seems ridiculous when a man has to take a radio off his car, put it in the back seat until he gets past the customs and then attach it again to his car in order to comply with the interpretation of the regulation.

Mr. MacNICOL: In order to get by.

Mr. WALSH: We should interpret this regulation somewhat differently. While I am on my feet I should like to direct the attention of the minister to another matter in connection with his department. I have found the officials of his department to be extraordinarily capable, but I have also found that they are housed in an extraordinary manner. It is a real shame to expect capable officials to carry on their duties under such conditions as prevail at present in the department. There is one office which I visit quite frequently in which are located six men. On a recent visit to this office I found each of these six men trying to interview another man. The office was so littered with papers that one could hardly step from one desk to the next, and yet all these papers were necessary to the work of the department. The minister should give some consideration to the people in his department who are doing such efficient work. The conditions under which these people work should be improved. This would create a better impression in the minds of the public who visit these offices from time to time. Perhaps a better distribution of the space available would bring about the necessary results. It is awkward for someone trying to get information from an official to have five other officials giving information to five other individuals in the same office.

Mr. ILSLEY: I appreciate the force of what my hon. friend has said. I am glad to join with him in paying a tribute to the officers of the department. I agree with his statement as to their capability and competence, and I agree also as to the necessity for some improvement in office space. That matter is being considered at the present time and plans are being matured.

Mr. BARBER: I should like to know what interpretation the minister places upon baggage contained in a car. Would that be hand baggage? I suppose many hon. members receive complaints in connection with this particular regulation. I had one incident brought to my attention of a man who had visited the United States where he had seen an oil stove of a type not possible to obtain in Canada. This was priced at about $80 and he thought he could bring it in. He had it crated and put into his car, but when he arrived at the port of entry he was assessed the regular duty. I understand the officer explained to him that if it had been a small parcel with a rope on it, something that he could carry, it would have been classed as baggage, but that the crate could not be thus classified. It is a question of baggage. I thought perhaps a large trunk would be considered as baggage. This is no bigger than a trunk.

Mr. ILSLEY: The department takes the commonly accepted railway interpretation of baggage, what a passenger travelling on a railway train might be able to check as baggage or carry with him into a Pullman car. It may be that there is some variety of interpretation by different collectors because it is difficult to make a thoroughly consistent application of a rule such as that. It must be borne in mind that the past year is the first one during which this item has been in force, and it may be that certain collectors have taken one view and other collectors a different view, but the rule I have just mentioned is the rule of the department, which we follow very closely.

Mr. BARBER: I agree from what I have heard that the interpretation is not uniform, because the gentleman informed me that if he had gone through another port he would have got through all right; that is, if he had understood before he came back that his own interpretation was wrong. As it was, he had to pay $31 or $32 duty on the stuff.

Mr. LAWSON: I really cannot let this item pass without congratulating the minister upon one subitem in it. I well recollect that when an item was up last year for secretaries to the executive, I questioned the necessity of the minister having two secretaries to the executive instead of one, and I must confess that with some force he argued the necessity

for two such secretaries. I am delighted to see that this year he has come to the conclusion from eighteen months of experience that two are not necessary, and that he has apparently come back to one secretary to the executive because I notice that in this year's estimates provision for only one is made, with a saving of $2,100.

Mr. MacNICOL: If I am in order I should again like to refer to the case I brought up last year of Mr. Cave, a former employee of the department.

Mr. ILSLEY: Certainly.

Mr. MacNICOL: Under date of March 18, 1930, Mr. Charles S. Cave, at that time a customs excise examiner on the staff at Halifax, made application for transfer to the port of Toronto in view of the health of his family since the Halifax explosion. I want to say that no private institution would treat any employee as Mr. Cave has been treated. I do not blame the department particularly. Perhaps it is because of some regulations that nothing has been done, but certainly something should be done to right a very great wrong. Mr. Cave says:

> At the time of the Halifax disaster I was on duty (customs) at the Halifax graving docks, close to the point where the Mont Blanc blew up. I was blown into the Halifax harbour and my house, not far away, was blown off the map, three of my children were burned to death, and my wife and only surviving daughter were taken to Truro in a very serious condition. My wife has never fully recovered and for several years was under the doctor's care. I was advised by him that we would have to move elsewhere for her health's sake, so we decided to move to Toronto where her only surviving relatives were located.

Now it appears that he could not be transferred to Toronto, and later on, as I said a moment ago, he resigned from the department, but on the assumption that at a later date he would receive an appointment at Toronto. On various occasions he applied to the civil service commission for an appointment, and finally he was turned down because he was slightly over the age limit.

I want to compliment one official of the department, Mr. C. E. Wood, Commissioner of Customs, upon his humanitarian view of this case. In writing to the civil service commission, perhaps at the instance of the minister himself with whom I took this matter up a year ago, Mr. Wood says:

> In view of the extenuating circumstances of which the department was not fully cognizant at the time, also the fact that while employed at Halifax, Mr. Cave's services were of the highest order, it would be appreciated if some way could be found to facilitate his re-entry to the customs excise service, notwithstanding that he now appears over the age limit.

[Mr. Lawson.]

The department also states that through his many years of service at Halifax Mr. Cave rendered excellent and efficient service, without any complaint at any time being made against him. I do hope that something will be done to give some consideration to this man who, while he was in the service of the government, lost his whole family but one through no fault of his own. It does seem to me, as one who has had a great deal to do with the employment of labour and who knows how labour should be treated, that a government official should not be treated as this man has been, and I would ask the minister to reconsider this case so that this man may be reemployed. Scores of officials have been appointed in Toronto since I brought this matter up, and surely this man can be put into some position.

Mr. ILSLEY: The appointments to Toronto have been made by the civil service commission, and my recollection is that when we took this matter up with the commission we were told that it was impossible to do anything for this man. Does the hon. member know the age of the man in question?

Mr. MacNICOL: No, but I know he is a comparatively young man.

Mr. JACOBS: How long had he been in the service?

Mr. BENNETT: Twenty odd years. He is over the age required by the Civil Service Act.

Mr. MacNICOL: He was with the department for many years and gave excellent service. It appears now that he is slightly over the age limit.

Mr. HEAPS: What is the age limit?

Mr. BENNETT: Thirty-five.

Mr. MacNICOL: I think in view of the circumstances, when a man while in the service of the government had his house blown away at the time of that terrible disaster at Halifax, had three of his children burned to death and his wife left naturally in a state of collapse, and found it necessary, after struggling on for years at Halifax, to move away to some other part of the country, as any man would do under those circumstances even if he lost his position, something should be done for him. I do not believe any private company with branches scattered throughout Canada would have treated an employee in the way in which this gentleman has been treated.

Mr. BENNETT: There are several cases of this kind arising from time to time in various departments of the public service. The

mistake in this case arose with the gentleman resigning. Once he resigned there is no power in the statute for anybody to place him in the public service again if he is over the age of thirty-five years, and the civil service commission could no more place him in a position than they could me. But there is a way in which the minister can deal with it if he so desires, and that is by placing an item in the supplementary estimates providing for the man's appointment notwithstanding anything contained in the Civil Service Act. In view of the circumstances to which reference has been made, and the letter written by a departmental official pointing out that all the facts were not in the possession of the department at the time this man felt compelled to resign in order to remove to another place where his wife could live, I would suggest that what I have indicated might be a very reasonable thing to do. This has been done more than once, and the only way in which it can be done is by act of parliament, because the statutory prohibition is such that he cannot otherwise be employed legally. The only way by which he can be legally employed is under a supplementary estimate, which of course is an act of parliament.

Mr. GREEN: What is the total value of the imports under the $100 exemption?

Mr. ILSLEY: For the seven months ended December 31, 1936, the total is $3,528,639 from all countries. The total from the United States is $2,931,691.

Mr. GREEN: Has the minister that by classification?

Mr. ILSLEY: I should perhaps mention that importations of goods valued at less than five dollars are not declared, but I imagine they would not amount to very much. Does the hon. gentleman want these by classes?

From the United States: automobile accessories, $100,826; automobile tires and tubes, $48,968; boots and shoes, $285,091; clothing, $1,455,924; foodstuffs, $11,702; furniture and household appliances, $442,004; miscellaneous commodities, $578,176, making the total previously mentioned of $2,931,691.

The totals from all countries are: automobile accessories, $100,871; automobile tires and tubes, $49,002; boots and shoes, $303,959; clothing, $1,755,013; foodstuffs, $15,207; furniture and household appliances, $467,529; miscellaneous commodities, $837,058, making a total I mentioned of $3,528,639.

Mr. BAKER: What was the total of clothing and boots and shoes, the two important items?

Mr. ILSLEY: From all countries?

Mr. BAKER: The importations under this $100 exemption from all countries.

Mr. ILSLEY: Boots and shoes, $303,959; clothing, $1,755,013.

Mr. BAKER: Did the minister stop to think of how much labour that is depriving the people of Canada?

An hon. MEMBER: Out of order.

Mr. HEAPS: Before this item carries, I think the minister ought to deal a little more definitely with the case raised by the hon. member for Davenport (Mr. MacNicol). If the department desire, ways and means can be found to have that man reestablished in his duties, around Toronto. Could he not at least be placed in temporary employment?

Mr. BENNETT: He cannot be placed in the service at all.

Mr. HEAPS: I think the minister spoke the other evening of a large number of appointments to the stenographic staff. If there is any way of having a special item in the estimates to meet his case or of placing him in the temporary service, I believe the government should do what any ordinary employer in Canada would do—transfer him from the employment in which he was formerly engaged to a place where he can find more congenial surroundings than in the place he left, namely the city of Halifax.

Mr. ILSLEY: I am informed that this officer did not leave the service until thirteen years after the explosion. The explosion occurred in 1917, and this officer left the service in 1930; that may have some bearing on the matter. However, I shall be glad to go into the case again and consider it in the light of the representations which have been made here to-night. With regard to this item, my colleague the Postmaster General (Mr. Elliott) is anxious to introduce his estimates, and if the committee would care to pass it—

Mr. BENNETT: It is not necessary to pass it, you know.

Mr. ILSLEY: —all right. If not that will be all right also.

Item agreed to.

POST OFFICE DEPARTMENT

Civil Government—

Salaries, including the assistant deputy postmaster general and general superintendent of postal service at $7,500 a year from April 1, 1937; amounts required to pay allowances to office appliance operators, grade 2, operating mechanical audit card punching machines in accordance with the terms of order in council P.C. 280/383, dated February 17, 1930; to pay

allowances to typists, grade 1, employed cutting stencils in accordance with regulations approved by order in council; and to pay allowances to office appliance operators, grade 2, in the revenue division employed as key punch operators, schedules and rates to be decided upon by the civil service commission and the post office department and approved by the governor in council, $1,318,488.

Contingencies, $215,000.

Hon. J. C. ELLIOTT (Postmaster General): Perhaps I should make a statement as to the increases. The item for salaries is $1,318,488, an increase of $69,828. The increase is accounted for by 391 statutory increases amounting to $27,540. If my hon. friends would like to have the details I can give them very readily, but they are the regular statutory increases. Then there is one special increase of $600 to augment the salary of the assistant deputy postmaster general and general superintendent of postal service to $7,500, effective April 1, 1937. There are fifty-two additional positions; these are required to provide an adequate establishment for the administrative services and financial branch. The positions were approved by the civil service commission and authorized by order in council dated July 10, 1936, and October 23, 1936. They will be filled by the civil service commission by promotional competition or appointment. What I have already given amounts to $27,540. There will be deducted three positions no longer required, amounting to $9,600, and the difference in salaries of employees who have left the service and the salaries of those who have replaced them, amounting to $1,620, and current salary deduction amounting to $2,952. There is a total of deductions of $14,000, making up the $69,828.

Mr. MacNICOL: I notice this item in the estimates of 1937-38 is No. 16, and in the estimates of 1936-37 it was No. 20. Looking through the auditor general's report of 1935-36, I find it scattered in three or four different places. It is almost impossible to check one item with the other so as to find out where we are going or what we have under discussion. An estimate appears for a large sum of money like this and about the only thing we can do is to ask the reason for the increase, or some question which has no more import than that. If we want to check over the figures contained in the previous year's item we have not yet the details. The latest report I have is the auditor general's report for 1935-36; next year we shall get the auditor general's report for last year, 1936-37, and the year following we shall get it for the item now under discussion. I do not know that anything can be done in the way of better bookkeeping than we have at present, but it is a nightmare to connect the items of this year with last year from the auditor general's report of 1935-36.

Mr. PELLETIER: I want to ask the minister what led his department to decide that the postal employees of Canada should be compelled to work on statutory holidays. Undoubtedly a decision for which he is responsible was arrived at by his department, and he should make a statement.

Mr. ELLIOTT (Middlesex): That question can better be discussed under item 275 and I suggest that we defer the discussion until then.

Mr. HEAPS: In this connection I suggest that the minister bring down the return to the question asked him a few weeks ago and passed by the house. A request was made for the tabling of correspondence relating to changes made in the regulations of the department respecting hours and conditions of labour during the past year. When may we expect that correspondence?

Mr. ELLIOTT (Middlesex): The great volume of it is ready now, but it is not complete. I expect to be able to table the report within a short time.

Mr. BENNETT: A great volume is ready but the small volume is not.

Mr. ELLIOTT (Middlesex): A considerable volume still remains.

Mr. BENNETT: The minister said that three positions had been abolished. What were they?

Mr. ELLIOTT (Middlesex): One was superintendent of mail contracts, $6,000; one principal clerk, $2,400; one packer and helper, $1,200, or a total of $9,600.

Mr. BENNETT: Who were the incumbents?

Mr. ELLIOTT (Middlesex): Mr. Anderson was the superintendent of mail contracts.

Mr. BENNETT: That position was vacant; he had been superannuated.

Mr. ELLIOTT (Middlesex): Yes; it was joined with the air mail office and the position was abolished.

Mr. BENNETT: Who has taken on the responsibilities of the mail contract service?

Mr. ELLIOTT (Middlesex): Mr. Herring is performing them at the present time.

Mr. BENNETT: What is his title?

Mr. ELLIOTT (Middlesex): Chief superintendent of air and land mail services.

Mr. STIRLING: This covers superintendent of air and land mail services. Will the minister give us some information with regard to what air mail services there are now in Canada?

Mr. ELLIOTT (Middlesex): That also comes under item 275. I have a full list of them and I could give them now, but perhaps it would be better to give them under item 275.

Mr. GRAYDON: What are the duties of the director of public relations of the Post Office Department?

Mr. ELLIOTT (Middlesex): Largely publicity, to endeavour to keep track of matters that are taking place in the various branches of the department and to give information concerning them from time to time. These duties are carried out with the fourfold object: increasing revenue; obtaining the cooperation of the mailing public; maintaining supervision over the various branches with the idea of creating an esprit de corps among the different branches, and the creating of good will.

Mr. ISNOR: Is the department carrying out an accounting system of its own showing complete revenue and complete disbursements as applied to the Post Office Department?

Mr. ELLIOTT (Middlesex): We have an accounting system that keeps track of the business in the department and that is under the supervision of the financial superintendent and for expenditure under the comptroller of the treasury.

Mr. ISNOR: Is the minister in a position to state, from his financial set-up showing revenues and disbursements, whether the Post Office Department pays it way?

Mr. ELLIOTT (Middlesex): I am in a position to state that the department more than pays its way.

Mr. JACOBS: Except the dead letter department.

Mr. ELLIOTT (Middlesex): I may say that in the last year it more than paid its way. If time permitted, I should like to give my hon. friend the total revenues and expenditures for the past year. Perhaps I have time.

Mr. BENNETT: Time to start anyway.

Mr. ELLIOTT (Middlesex): The total estimated revenue for the year closing March 31, 1937, judging by the nine months that have passed, will be $41,178,199. From this we deduct $6,868,164 paid to commission postmasters, leaving net revenue $34,310,035. This represents an increase of $1,802,146 over the preceding year. The outlay for the year is $30,100,101.63.

Mr. HEAPS: Does that include gross outlay or just the net?

Mr. ELLIOTT (Middlesex): No, that is outlay reckoned according to the system to which my hon. friend objects, but which has been in force since confederation. It does not include the item to which I know he refers, of rental for buildings—

Mr. HEAPS: Maintenance.

Mr. ELLIOTT (Middlesex): —maintenance of those buildings, including char service, coal and that sort of thing. Perhaps to clarify the matter—

Mr. BENNETT: The minister might break down the items at his convenience.

Mr. ELLIOTT (Middlesex): Yes. I should like to say a word in regard to that so as to give my hon. friend the information for which he asked.

Progress reported.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Wednesday, February 3, 1937

The house met at three o'clock.

CANADIAN RED CROSS SOCIETY

Hon. IAN MACKENZIE (Minister of National Defence) moved for leave to introduce Bill No. 14, to amend the Canadian Red Cross Society Act.

Some hon. MEMBERS: Explain.

Mr. MACKENZIE (Vancouver): This is a minor amendment to the Canadian Red Cross Society Act asked for unanimously by the council of the society. The effect of one amendment will be to reduce the council from sixty to forty members. The other amendments are purely consequential.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

AGREEMENT BETWEEN WHEAT BOARD AND WINNIPEG GRAIN EXCHANGE

Mr. PERLEY (Qu'Appelle):

1. Was an agreement made during the month of December, 1935, by the present wheat board with the members of the Winnipeg Grain Ex-

change as to the delivering of wheat by the board to the members of the grain exchange or exporters to fill overnight sales of wheat?

2. If so, was the agreement made with the knowledge and on the advice of the wheat committee of the cabinet?

3. If such agreement was made, how long did it remain in force, and if cancelled, when and why, and was it cancelled with the knowledge and advice of the wheat committee of the cabinet?

Mr. ROGERS: The subject to which this question relates, namely, the marketing of Canadian grains abroad, is now being investigated by the royal grain inquiry commission, which has not yet reported to the government.

NATIONAL WAR MEMORIAL

Mr. PINARD:

1. What are the dimensions of the national war memorial to be erected in Ottawa, as follows: (a) height from ground level; (b) length along ground level; (c) depth at greatest part?

2. What will be the depth of the foundations below ground level?

3. Before finally proceeding with the erection of the memorial will the government cause to be constructed a rough wooden model of space and height, so that the government, members of parliament and all others interested may judge as to the suitability of the site?

Question dropped.

CONFISCATION OF IMPORTED RADIOS

Mr. FERLAND:

1. Did officers of the Department of National Revenue since January, 1936, seize or confiscate radios illegally imported into Canada?

2. If so, what number in each case?

3. Did the customs commissioner order the confiscation of a radio purchased in good faith by D. Christin in the county of L'Assomption?

4. Did Mr. Christin offer to pay the customs duty after the seizure but before the confiscation of his radio?

5. Upon what date did the commissioner order the confiscation of Mr. Christin's radio?

6. Was such radio sold or destroyed?

7. If sold, (a) to whom; (b) by whom; (c) when; (d) at what price?

Mr. ILSLEY:

1. Yes.

2. Seized, 94; confiscated, 65.

3. The assistant commissioner of customs under the authority given him by the minister under the provisions of section 174 of the Customs Act rendered decision in this case forfeiting the radio. This is the regular procedure established for dealing with such cases.

4. Yes.

5. Decision was rendered on January 21, 1937.

6 and 7. By statute the owner is allowed thirty days within which he may give notice of non-acceptance of such decision. If notice is not given decision then becomes final. The radio will not be sold as it has been condemned by an electrical inspector operating under the provincial laws of Quebec.

ROYAL MILITARY COLLEGE—CONTRACT FOR HAY

Mr. SENN:

1. Has a contract been made with one Greenlees for a supply of hay for use at the Royal Military College, Kingston?

2. If so, were tenders invited before such contract was made?

3. What is the duration of such contract?

4. What are the quantities and dates of delivery?

5. What grade of hay is stipulated in the contract?

6. What is the price per ton on delivery?

Mr. MACKENZIE (Vancouver):

1. Yes.

2. Yes.

3. Contract awarded October 7, 1936 for the period ending March 31, 1937.

4. Approximately 40 tons. Deliveries to be made as required.

5. Number 2 Timothy.

6. Twenty dollars per ton which includes delivery into the Royal Military College forage loft or other building as directed.

CANADIAN MILITIA—HONORARY COLONELS

Mr. POULIOT:

1. How many regiments are there in the Canadian militia?

2. In such regiments, (a) how many colonels are there; (b) how many honorary colonels are there?

Mr. MACKENZIE (Vancouver):

1. Arm of Service	Permanent Active Militia	Non-Permanent Active Militia	Total
Cavalry	2	20	22
Infantry	3	89	92
Total			114

2. (a) Regiments comprising two active battalions have a colonel provided for in their establishment. At present, the total number of colonels so appointed is two (2).

(b) Each regiment may, under the regulations, have appointed thereto one honorary colonel. The total number at present appointed is forty-eight.

MEADOWVILLE STATION, N.S., MAIL SERVCE

Mr. BROOKS:

1. When were tenders last received for mail courier service R.R. No. 1, Meadowville Station, Pictou county, Nova Scotia?

2. What is the name of each person who tendered, and the amount of each person's tender?

3. Is the contract awarded? If so, to what person, and for what amount?

Mr. ELLIOTT (Middlesex):

1. 10th July, 1936.

2. John Robert Holt, West Branch River John, $600; James Blackie, Meadowville $649; Edward Charles Hansford, Pictou No. 3 R.R., $675; Daniel R. Sutherland, Meadowville Stn., No. 1 R.R., $749; Leod Murray, Meadowville Stn., $775.

3. Yes. John Robert Holt at $600 per annum.

Mr. BROOKS:

1. When were tenders last received for mail courier service R.R. No. 2, Meadowville Station, Pictou county, Nova Scotia?

2. What is the name of each person who tendered, and the amount of each person's tender?

3. Is the contract awarded? If so, to what person, and for what amount?

Mr. ELLIOTT (Middlesex):

1. 18th December, 1936.

2. and 3. The contract has been awarded to the lowest tenderer. Information respecting tenderers and amounts will be furnished as soon as contract is executed.

QUESTIONS PASSED AS ORDERS FOR RETURNS

DUTY ON CORN

Mr. EDWARDS:

1. Was a duty placed on corn coming into Canada?

2. If so, at what date, and (a) what was the rate of duty; (b) to what country did it apply?

3. Was this duty removed during years 1935 or 1936?

4. If so, (a) on what date did free entry become effective; (b) what amount of corn was imported since the suspension of the duty; (c) what quantities from each country shipping corn into Canada?

5. Is there a duty on corn imports now in force?

6. If so, when did it become effective?

CANADIAN MILITIA—HONORARY COLONELS

Mr. POULIOT:

1. What are the names and addresses of the honorary colonels of the Canadian militia?

2. (a) On what date was each of them appointed; (b) for what record of military services, and (c) upon whose recommendation?

3. What are their functions?

4. What formalities are required for the appointment of an honorary colonel?

5. Are they supplied with uniforms and arms by the state?

6. If so, with what uniforms and what arms, and what is the annual cost for each individual?

7. Are the honorary colonels required to pay a tax, or any contribution or hororarium to the state in such capacity?

8. If so, is same paid before or after their appointment has been published in the Canada Gazette, and how much?

9. What do the honorary colonels cost the country?

10. In their capacity as such, how much do they pay to the state?

11. What services have the honorary colonels, as such, rendered to the state to date?

MOTIONS FOR PAPERS

NEWCASTLE, ALTA., POSTMASTERSHIP

Mr. QUELCH (for Mr. Johnston, Bow River):

For a copy of all correspondence, telegrams, charges, evidence and other documents, dated from June 1, 1936, to date, regarding the dismissal of the postmistress of Newcastle, Alberta.

Also a statement showing the reasons assigned for dismissal and the name or names of the person or persons who assumed responsibility for or furnished such information.

FOUNDERING OF THE "SAND MERCHANT"

Mr. CHURCH:

For a copy of all letters, telegrams and other documents in the possession of the government, relative to the foundering of the ship Sand Merchant, in Lake Erie, October 17, 1936.

Also a copy of evidence taken by Mr. Justice Errol MacDougall relative to the matter, along with a copy of his report.

Also a list of the owners of the said vessel.

Mr. HOWE: May I say to the hon. member that the department has only one copy of the evidence and one of the report. The evidence runs into 567 pages, and the report comprises 22 pages. If the hon. member would permit us to lend him the report and evidence it would save a great deal of time in the department.

Mr. CHURCH: I shall be satisfied with the judge's report. It is nothing but a whitewash, anyway.

PACIFIC COAST SHIPPING

PROPOSED CESSATION OF SUBSIDY TO CANADIAN PACIFIC PENDING REPLACEMENT OF ORIENTALS BY WHITE SEAMEN

Mr. THOMAS REID (New Westminster) moved:

Whereas a resolution was introduced into parliament and debated the 26th February, 1936, asking that "in the opinion of this house the government take such steps as will provide for employment of greater numbers of white Canadian citizens, on all ships and vessels of Canadian ownership and registration, the owners of which receive sums of money from the public treasury of Canada";

And whereas, the resolution after debate was referred to the standing committee on industrial and international relations;

And whereas, the committee held numerous sittings and likewise heard numerous witnesses on the subject matter of the resolution;

And whereas, after hearing all evidence presented to it, the committee recommended,—

1. That, in view of the substantial subsidy granted yearly to the Canadian-Australian line by Canada, the small number of Canadians employed in its service be brought to the attention of the company, and that they be requested to afford Canadian seamen a reasonable degree of employment at the earliest possible convenience.

2. That, as up to the year 1913, the decks of the Empress boats were manned by white seamen, and in as much as the deck service is an important and responsible branch of the work of these boats, the Canadian Pacific Railway Company be requested to replace with Canadian seamen, the orientals now so employed, and that this change be made at the company's earliest opportunity.

And whereas, the recommendation presented by the committee passed the House of Commons unanimously, and thereby became an order of parliament;

And whereas, the Canadian Pacific Railway Company has ignored the instructions and has not complied with the order given by parliament, whereby Canadian seamen were to be given employment as deck hands in preference to orientals,

Therefore be it resolved,—That, in the opinion of this house, no further moneys from the treasury of Canada by way of subsidy be given to the Canadian Pacific Railway Company towards the operations of the Empress ships operating between Vancouver and the orient, until such times as they do obey the order of parliament, by replacing the Chinese seamen now employed and engaging Canadian seamen on the deck service of the subsidized ships operating between Vancouver and the orient.

He said: Mr. Speaker, hon. members will perhaps recall that last year I introduced a resolution stating that great numbers of Canadian seamen on the Pacific coast were out of employment; that owners of ships and vessels of Canadian registry on the Pacific coast of British Columbia were giving employment in large measure to great numbers of orientals; that other countries give greater consideration to the employment of their own nationals on ships and vessels belonging to their own country; that the Canadian government grant large sums of money to the owners of ships and vessels by way of subsidies, and that it was desirable that every encouragement be given for the employment of our own nationals. My motion ended with these words:

Therefore, be it resolved, that, in the opinion of this house, the government take such steps as will provide for employment of greater numbers of white Canadian citizens on all ships and vessels of Canadian ownership and registry, the owners of which receive sums of money from the public treasury of Canada.

[Mr. Reid.]

An amendment to my motion was offered, and finally the Minister of Trade and Commerce (Mr. Euler) moved that the matter be referred to the committee on industrial and international relations for discussion and investigation.

Many meetings of the committee were held; witnesses were brought from the Pacific coast. The steamship company most interested brought its chief witness from the city of Vancouver, and was also ably represented before the committee by Mr. Flintoft, general counsel for the Canadian Pacific Railway Company. It is safe to say that every aspect of the matter was considered carefully and fully. After due deliberation the chairman of the committee, the hon. member for North Battleford (Mr. McIntosh) presented a final report, which was adopted on June 17.

May I draw the attention of hon. members to what was agreed to last year. I shall be as brief as possible, realizing that I have discussed the question for at least three or four years, but I should like to take time to place before hon. members part of the report accepted by the house. Dealing first with coastwise shipping, the report states:

1. As regards coastwise shipping, the work is done by Canadians mainly, and their is no issue.

2. Shipping to Australia and the antipodes is carried on by the Canadian-Australian line. This company, which receives an annual subsidy of $300,000 from the Canadian government, employs but eight Canadians in the crews of five hundred and ten men.

The committee went into the question of oriental shipping, pointing out the great numbers of orientals engaged on ships plying between the port of Vancouver and Chinese ports. As a result of their investigations they recommended:

1. That, in view of the substantial subsidy granted yearly to the Canadian-Australian line by Canada, the small number of Canadians employed in its service be brought to the attention of the company, and that they be requested to afford Canadian seamen a reasonable degree of employment at the earliest possible convenience.

I believe that in large measure this request was met by the company in question. Then, clause 2 is as follows:

2. That, as up to the year 1913, the decks of the Empress boats were manned by white seamen, and in as much as the deck service is an important and responsible branch of the work of these boats, the Canadian Pacific Railway Company be requested to replace with Canadian seamen the orientals now so employed, and that this change be made at the company's earliest opportunity.

One could say possibly that I have not crossed every "t" and dotted every "i,"

because I state in my resolution that this company has defied the order of parliament. It was pointed out to me that an order of parliament means an order of the House of Commons and of the Senate, and that this was merely a request by the House of Commons. But surely, Mr. Speaker, a request by the House of Commons is tantamount to an order, or at least should be.

I shall attempt to point out to hon. members the seriousness of the matter. This is not the first time the Canadian Pacific Railway Company has defied orders. I might refer hon. members to an instance not so long ago where orders were given by the board of railway commissioners, and the Canadian Pacific Railway Company refused to obey them. If there is anything in these days of unrest likely to create more disorder, it is the fact that we have in Canada an institution which, it would seem, is above the law of the land and which replies, irrespective of what it may be asked, "We are not going to carry out your wishes."

If the request had been made without first having a full inquiry and without taking time to go into every aspect of the matter, and if we had not tried to find out the numbers who could work on the boats in preference to orientals, and all facts in connection with every matter affecting the granting of large sums of money, I would say that perhaps there might be some excuse for allowing the company consideration. But the matter was considered fully by the committee. Every argument that could be advanced by the company's representatives was brought forward on that occasion. But as has already been pointed out, after due deliberation the committee appointed by the house brought in a report which was unanimously adopted and which has not been carried out by the railway company.

Although I have discussed the matter on many occasions, there are some salient points that I should like to bring before the members of this house. I am going first to touch briefly on the history of the subsidies. That history started away back in 1889, when the imperial government made a grant of $300,000 for the operation of a route from Halifax across Canada and from Vancouver to the orient; it was known as the all-red route. I wish the originators of that project could see what has happened now, because that red route has now taken on a yellow tinge, for the majority of employees of the ships are from oriental countries and we designate them, not in a derogatory sense, as the "yellow" race. The Canadian government of that time was asked to contribute $75,000, and that grant was continued for ten years. In 1914 the agreement was suspended, but in 1916 the company made an appeal for assistance and it was granted. But this fact should now be noted, that from 1921 to 1930 the company did not receive one five-cent piece by way of subsidy from the treasury of this country, and when asked in committee how they could carry on without obtaining large sums of money, well, they thought perhaps trade was a little better, et cetera, but no satisfactory answer to that question was given. In 1931 they appealed to the government and obtained in that year almost a million dollars by way of subsidy. Later the amount was reduced, and last year they obtained a total of $749,000 for twenty-three round trips.

I suppose it is only natural that notice is not taken of many statements, wise and otherwise, made in committee, but I should like members of this house to give serious attention to certain statements made by the company's chief expert who appeared and gave evidence under oath before that committee, a man named Captain Aikman, R.N., who at one time was in the Royal Naval Reserve and is still attached, I believe, to the naval forces of Great Britain. He was asked in that committee, if he were compelled to pay the same wages to Chinamen and to Canadians or Britishers whom would he employ, and without hesitation he stated "Chinamen." He stated also that they were better sailors. He, a British Royal Naval Reserve officer with seemingly no great pride of nationality, admitted under oath that if he had to employ men of one of these races and pay them the same wages he would employ orientals. It is no wonder that I said to him, "Well, you had better advise the British admiralty that there are better seamen in China than in the British navy," when that was the argument he made before the committee. He was asked, would he hire Canadians if they were available, and he made no answer to that question. He was also asked, if he were given lists of Canadians would he employ them? There was no answer to that. The reason those questions were asked was that the company's representatives had stated under oath that there were no seamen available in any of the Pacific ports and therefore they must of necessity hire orientals or Chinamen from Hong Kong. Evidence was produced that there were at least 1,100 men of all classes, whose names and addresses were given, available for this employment, but apparently, to judge from Captain Aikman's evidence, it was the settled or avowed policy of the Canadian Pacific Railway Company not to employ Canadians.

To me this is extremely serious, as also is the witness's statement that he preferred Chinamen to our own people.

During the parliamentary recess I went into the question of the numbers of men who are or could be available if the Canadian Pacific Railway Company were disposed to employ our own nationals. I have before me the latest figures supplied by the provincial relief department of British Columbia. There are actually registered at the moment close to 300 men who class their occupation as "seaman" in one capacity or another, and on the Pacific coast there are also some four to five hundred men who are employed for the summer season but who are not listed, I believe, in the relief figures I have given. I mention this to disprove the statement made on behalf of the Canadian Pacific Railway Company that there are no men available.

Mr. ROGERS: Is the figure of 300 for British Columbia or for Vancouver?

Mr. REID: For Vancouver. The figures would have been larger had they included the province of British Columbia. This does not take into account the number who are not registered as being on relief or the numbers in homes or out on small ranches or elsewhere who would be glad to accept employment were they given the opportunity. While I do not like to picture a wintery aspect of the city of Vancouver, which is something unusual as we have had this year unprecedented winter weather, I have a paper which reached me here the other day—and I should like the Minister of Labour (Mr. Rogers) to take note of this—a picture of 400 men many of whom had stood in line all through the night waiting for a job next morning to shovel snow.

Miss MACPHAIL: Did the mayor of Vancouver when he was in England not urge emigration to Canada?

Mr. REID: The former mayor of Vancouver can very well answer for his own statements. I would never presume to speak for him. But, Mr. Speaker, I again call to the attention of the minister—and it is something I think he believes—that while there may be the odd man here and there in the country who is not willing to work, the fact that men will stand in line all night long in the hope of being given employment the following morning in shovelling snow is ample evidence that we still have in this dominion hundreds of men, young and otherwise, who are willing to work if only they are given an opportunity. Nevertheless we find here a company receiving an annual subsidy of over $700,000, which tells this House of Commons, irrespective of what request is made, "We are not going to hire Canadians; we are going to hire men from Hong Kong because we believe that they are better sailors." If they were telling the truth they would say, "Chinamen are more docile; they are more easily handled; they will not kick up a fuss over bad treatment and they work for low wages."

The company was ordered to take the deck crews off. The matter, I understand, was taken up by the Department of Trade and Commerce through its officials, and the other day I received a return in connection with this. One point that particularly struck me was that they were negotiating through the Department of Trade and Commerce, and when they made the statement that there were no men available they suddenly switched the correspondence to the deputy minister of marine. Surely a corporation with high officials such as theirs did not do that just out of ignorance. They had been dealing right along with the Department of Trade and Commerce; yet the statement they made to the government that there were no Canadians available is suddenly switched to the attention of an official in another department who has nothing whatever to do with the matter under discussion and is not conversant with the details. I take strong exception to the statement that there are no men available. I have in my hand official particulars—and I repeat them—of the numbers of men in Vancouver alone who are available for these ships, but they will never be acceptable to this company so long as it can hire cheap labour from the orient. I for one do not propose to allow them to get away with that kind of policy.

It is strange that every country in the world with the exception of Canada looks after its own nationals. I would point out the possible seriousness of what could take place with 486 orientals on one of these ships, carrying only a nucleus or handful of white men. It is well known, to those in British Columbia at least, that there is no love lost between the Japanese and the Chinese, and were any trouble to arise I wonder how long the Japanese would allow ships carrying 486 Chinamen on board to sail between the two ports. In my resolution I was not advocating that the ships be manned one hundred per cent by Canadians, for I quite realize that a certain percentage of passengers are returning Japanese or Chinese. I was, however, asking that a greater number of white men or men of Canadian or British birth be employed on these ships. When one takes into consideration the statement made under oath that the average passenger list is from sixty to sixty-five per cent oriental,

it is not too much to ask that the Canadians employed shall represent say thirty or thirty-five per cent of the crew. At the present time the percentage of officers, Canadian or British, is roughly fifteen per cent and in some instances it is below fifteen per cent of the crew. The great majority of those employed on these ships are orientals; 486 is the figure in one instance, and I have figures for all the others, the total on four ships being approximately 1,900.

I have in my hand a statement made by the president of the company, Sir Edward Beatty, and he advises the business men of the country to speak up—"speak your mind," he says. Of course, I do not believe he really intended that I should speak my mind in this connection and say what I think about the Canadian Pacific railway doing anything like this. If he goes to the old country and advocates emigration to Canada, or when he advocates immigration when speaking in Canada, I should like him to tell the facts as they are. Let him say. "Yes; we want immigration; we want people to come to Canada, but remember when you come here we are not going to hire you because we prefer Chinamen." I wonder what the people of the old country would think if he told them the truth—because that is the truth. We want population; oh, yes, we want people to come here. But when it comes to giving them employment, oh no; they are not good enough; Chinamen are better seamen; they work for lower wages and so on. Would he tell the people of the old country all the facts? Would he tell them that? If he did, I venture to say that he would need a strong bodyguard to escort him back to his ship or hotel.

I shall make this suggestion to the Minister of National Defence (Mr. Mackenzie) and I think it is a matter that should be discussed in this house. We have perhaps only the nucleus of a navy, but young men entering that navy, such as it is, go in as cadets. After taking their course of training what do they find? They find themselves on the street, or at any rate looking for employment. Would it not be a fine gesture to find openings for these cadets on these ships? In the event of trouble there would be trained men to meet the situation. But what hope is there for us in training seamen with any national spirit at all if, after they have received their training as naval cadets, they find themselves confronted with a situation where there are 486 Chinamen on board each of these ships, there being no room for any one of these cadets, and a company such as the Canadian Pacific railway declaring its preference for orientals.

Mr. ROGERS: I know the hon. member wishes to be fair, and I am bound to say that I shall shortly have occasion to agree with much that he has said, but it would be well to make it clear that he is referring solely to the Pacific service of the Canadian Pacific railway.

Mr. REID: I thought that was understood, because I have confined my remarks to the service on the Pacific. The principle, of course, is the same right through. I do not know the conditions on the Atlantic. Evidence was given before the committee, and perhaps there are members of the committee who can speak with more authority than I can with regard to the service on the Atlantic. At any rate a greater number of Canadians or men of British birth are employed on the Atlantic than on the Pacific. I am speaking, however, of those cadets who come out after receiving their training, only to find themselves without employment, with nothing facing them but relief. I suggest to the Minister of National Defence that this angle of the question should be studied. The serious part of the matter is that this company came back with the old argument that there were no men available on the Pacific coast. They said, "We have investigated the situation and have found this and that." Well, they were not looking very keenly for men. They did inquire of the shipping master in the port of Vancouver, but as is well known, few seamen ever go near the shipping master in their search for employment. But even if they did, what does the shipping master say? I interviewed him a month prior to leaving for the house and he said that there were at least eighty-five men registered and available. I believe that was the figure quoted from the provincial government as to the number idle in Vancouver, and it is ample proof that large numbers of men could be available were this company willing to take them on. But suppose there were no seamen available; does anyone say that at least some of those 400 men who fought for jobs and stayed up all night would not be glad to be taken on as deck-hands on these ships? And how can anyone learn to be a deck-hand unless he is given a chance? The only way to become an able-bodied seaman is to be given an opportunity to work on a ship.

I am going to close my remarks by urging upon the government and the house the seriousness of this matter. I know it is being viewed seriously in British Columbia, not only because of the lack of employment for our

own people but in view of the fact that this company has declared, "We are not going to heed the request made by parliament." I urge the house to accept this resolution and to enforce its provisions until such time as this company accedes to the request that has been made by parliament.

Mr. ANGUS MacINNIS (Vancouver East): As one of those who served last year on the committee on industrial and international relations, which dealt with the subject matter of the resolution proposed by the hon. member for New Westminster (Mr. Reid); in view of the fact that the recommendation of the committee was unanimous, and as I have been trying for the past five or six years, whenever this subsidy item has been before the house, to elicit some assurance that before the subsidy was paid some check would be made in connection with wages and working conditions of the crews employed on the Canadian Pacific ships, I unhesitatingly support the motion.

The hon. member for New Westminster made his remarks brief. I know there is much more he could have said had he thought it necessary. I also will speak briefly. I should like, however, to bring to the attention of the house a comparison of wages now paid to the Chinese crews on these ships and the wages that would be paid to Canadian seamen replacing them. This comparison was placed before the committee by a representative of the Canadian Pacific steamships last year.

The comparisons are for the four Empress boats on the Pacific. These ships have Chinese crews numbering in all 1,768. If Canadian seamen were employed to take their places it is assumed that a smaller number would be required, namely, 1,475. The number of Chinese employed on the decks is 277, and the monthly wages total $2,925, or an average of $10.55 each per month. If Canadian citizens were doing the same work, the number required would be 186, and the total monthly pay-roll would be $9,040 or an average per person of $48.60. It is not difficult to see why the Canadian Pacific steamships prefer Chinese to Canadian seamen on their ships, when the additional wage would amount to $38.05 per person per month.

Coming to the other ratings you find a similar situation. In the engine rooms they employ 558 Chinese. The number of Canadians which would be necessary is nearly the same, 537. The monthly wage for 558 Chinese totals $6,045, or an average of $10.83 per person. If Canadians were employed in the engine room the total monthly wages would be $25,345, and the average per person, $57.99.

Mr. WALSH: If the hon. gentleman will permit a question, in making these comparisons is he comparing equal grades of work in all instances, engine work with engine work, and so on?

Mr. MacINNIS: Yes, in all instances. These figures are embodied in a statement, included in the records of the committee, given by Mr. Flintoft, representing the Canadian Pacific Railway Company.

It is not necessary to go over all the figures. The yearly total of present wages for a Chinese crew is $203,880. The total if the company had to employ Canadian seamen would be $929,808. It is largely, therefore, a matter of dollars and cents, but not altogether that; it is that and something more. We were told by the same representatives that, employing Chinese, they can shift them from one service to another, which could not be done with white sailors. I asked whether these men had an organization which could take up grievances with the proper officials of the company. I was told that they had no such organization, that the company dealt with each man individually. Now my understanding is that the crews for these boats are supplied by an agency in Hong Kong, and that these agencies control almost the very lives of the men so supplied. This house would be doing something worth while if it stipulated that before any further subsidies be paid to the Canadian Pacific steamships for this service the government or the department would have to be satisfied that the wages and working conditions on the boats were comparable to those prevailing on similar boats either in this country or in other countries.

At some other time I may bring up the matter more specifically, but this year at the international labour conference I believe six conventions were passed relating to wages and working conditions of men who follow the sea for their living. Ours is a maritime country and sooner or later this government will have to consider ratifying these agreements. I am quite satisfied that the conditions at present prevailing on Canadian Pacific boats will not fit in with the conventions adopted at the international labour conference. Therefore we might as well take the matter in hand now so that in this respect we may be on what more nearly approaches an even basis with other maritime countries.

Mr. GORDON B. ISNOR (Halifax): I was a member of the committee which dealt with this question, and although I am from the extreme east I am in hearty accord with the

resolution of the hon. member for New Westminster (Mr. Reid). He approached the question in a very reasonable manner. On the committee last year all the groups in this house were represented. The case was presented and the evidence submitted in the same reasonable manner. The recommendation submitted to the committee by the subcommittee was accepted unanimously and presented to this house, where it was approved, so that it seems to me the two companies involved, the Canadian Pacific steamships and the Canadian National steamships, should be compelled to abide by the decision.

The question is one of principle, and it was definitely shown by the evidence that it has a direct bearing on the unemployment problem. The necessary seamen are available among Canadians on the British Columbia coast, therefore the Canadian Pacific steamships should make use of their services in preference to those of men of other nationalities. The same condition exists on the Atlantic coast, and it is with that in view that I approach the subject, having regard to the non-compliance of the Canadian National steamships with the very reasonable recommendation or request of parliament.

As will be seen at page 211 of Hansard for January 25, 1937, I asked several questions dealing with the number of people employed by the Canadian National Steamships, with particular regard to masters, pursers, doctors, engineers, plumbers and electricians, firemen and oilers and stewards. In nearly every case, Mr. Speaker—and I say this advisedly—the answers submitted to the Minister of Transport and in turn tabled by him were camouflage. They evaded the question by referring to British born subjects. The question we were dealing with in our committee and in this house was the employment of a greater number of Canadians. I feel that if we are to have resolutions carried out after they have been adopted by this house we must have the support of the minister in charge of the department, and he must see that the officials under his jurisdiction do not send to him answers such as were tabled in reply to the questions I asked. I say that in a kindly way, but nevertheless I urge that the answers submitted to the minister certainly were not in keeping with his position as head of a large railway and steamship system. I am not satisfied with the answers I received, and I intend to pursue the matter further.

I am glad this resolution has been brought up, because it gives me an opportunity of definitely supporting the stand that has been taken by the hon. member for New Westminster. I need not go over this whole question; the ground has been very thoroughly covered by the mover of the resolution. I believe that the principle should be supported by every member of the house. Why should we appoint a committee to spend hours, days, weeks and months listening to evidence under oath and to make a finding—and I say it was a very reasonable finding, not calculated to disturb the existing set-up—if we do not see that the finding is carried into effect? The report only asked, in regard to the Pacific coast, that of some 2,033 employees some 277 in one particular department should be replaced. That was in the department comprising the deck-hands, which was efficiently operated up to 1913 by white seamen. It would mean a few dollars extra as far as the company is concerned, but in very large measure it would relieve unemployment among seamen on the Pacific coast. I think the Minister of Labour (Mr. Rogers) should take that point into very serious consideration, and from that angle I should think he is more or less duty bound to support this resolution. I know he is sincere in his desire to bring about a greater measure of employment among Canadian citizens. That being so, he should support a move which has for its object the greater employment of Canadian seamen on the Pacific coast.

What applies to the Pacific coast applies equally to the Atlantic coast. The request made in that connection was very fair. A complete replacement as far as the West Indies service was concerned was not asked; a fifty per cent replacement was recommended. I should like to read that recommendation. After giving a large number of sound reasons the committee said:

> In view of the above and other reasons presented, it is respectfully recommended that, in so far as the Atlantic coast is concerned, the Canadian National Steamships Limited be advised that it is not suggested nor desirable to change the general set-up of the officers and engineers in so far as Canadians are concerned, but that this company be requested to employ a greater number of Canadian citizens, particularly as applying to positions in connection with the steward's and firemen's departments, and your committee recommends that at least fifty per cent of those employed in these two departments be Canadian citizens, domiciled in Canada.

I say that was a very reasonable request, but what has happened? They have practically ignored that recommendation. On December 6 I drew attention to the fact that at the end of another nine days, on December 15, six months would have elapsed since the recommendation was made by this house.

Up to that time I think something like thirteen or fifteen men were employed. Quite recently they advised me that I would be pleased to learn that they had employed fifty-nine men throughout the maritime provinces. I say that is not good enough, Mr. Speaker. I think the Minister of Transport would be well advised to bear in mind that a recommendation approved by this house should be placed before the Canadian National Steamships in such a way that the spirit of the resolution will be fully carried out.

I do not think I need add anything further. As I have already said, I am supporting the resolution because I believe the general principle is sound, and I believe it is a step that will bring about greater employment among our Canadian citizens and to that extent relieve the unemployment that exists to-day.

Mr. DANIEL McIVOR (Fort William): Mr. Speaker, I would like to ask a question. I was a member of this committee; I listened to the evidence given before it, but I would like to have my memory refreshed. In the evidence given before the committee was it not brought out that one Canadian would do as much work as two or three Chinese?

Mr. CAMERON R. McINTOSH (North Battleford): Since I was chairman of the committee on industrial and international relations, Mr. Speaker, and thus had something to do with the investigation into this question and the report that is now before the house, it might be well for me to make a brief statement in connection with that committee, its investigation and its report.

I think hon. members are well aware of the fact that the committee on industrial and international relations was established about 1924 or 1925. There has been some discussion as to whether or not this committee should be divided. The suggestion has been made that there should be one committee to deal with industrial questions and another to deal with international questions. Up to the present this suggestion has not been followed out and we still have one committee which deals sometimes with purely industrial questions and sometimes with purely international questions, or the both combined.

The question before the committee last year was both industrial and international in scope. This committee, like all standing committees, was representative of the membership of the house. I believe there were thirty members making up the committee and its membership was fairly representative of the house as a whole. The committee gave the matter every consideration, and its report was unanimous. Further than that, the decision of the house with reference to this report was also unanimous. Here we have a picture of what took place. A committee of the house investigated this industrial and international matter; the report of the committee was adopted unanimously in the committee and accepted unanimously in the house. The report had reference to two of the great shipping companies of the dominion, the Canadian National (West Indies Steamships) Limited, and the Canadian Pacific Steamships Limited. Reference has been made in the house to the fact that the Canadian National has taken some action in connection with the report. The hon. member for Halifax (Mr. Isnor) has just stated that this company has taken partial action in this connection. I think that hon. members who keep in touch with committee reports have a feeling that Canadian National Steamships Limited have accepted this report in the right spirit. We look for further action in this regard. The action taken up to the present would lead members of the committee to believe that all that is necessary to be done is for the responsible minister to direct the attention of the Canadian National Steamships Limited to the limited action they have taken on the report or have same repeated if it has already been done. I think we can look for a total acceptance of the report by that company in the near future.

But what about Canadian Pacific Steamships Limited? What has that company done with regard to the report? The feeling seems to be that up to the present nothing has been done. I would not want to see the matter referred again to the committee for further investigation. I believe that when a committee investigates a matter referred to it by the house and brings in a unanimous report, that should settle it. Any further action should be taken by the government. I believe the committee on industrial and international relations did its work successfully in this regard and any further reference to it would be a mistake. In explanation, may I say I took the same stand last year when the matter of pensions for the blind came before the house. This matter had been investigated by a committee and reported upon, but no action had been taken. The question was raised in the house as to whether or not there should be a further reference to a committee, and I took the stand that there should not be. I think that stand has been supported by the fact that the govern-

ment has taken action this year in this regard, and that pensions for the blind are a reality without any further investigation.

There is still hope that the Canadian Pacific Steamships Limited will reconsider this report and do its best to follow out the recommendations made therein. That is my candid conviction. Perhaps the next move therefore ought to be an investigation by the Department of Trade and Commerce to see whether the men desired by the Canadian Pacific Steamships Limited for deck service are available. If we have well trained Canadians available for this shipping service, they should be employed even though it is necessary to pay them more. This means we should know exactly where we stand as a House of Commons on the question and have all the facts at our disposal. The Canadian Pacific should be given a square deal in this matter, and its fullest explanation sought. I believe the Department of Trade and Commerce should get in touch with the company and investigate the availability of Canadian seamen for the work required. If the investigation were started as soon as possible and the facts disclosed, we would then know just exactly where we stand.

I am not placing any blame upon any department of the government, but as chairman of that committee I should like to see the matter cleared up for good. I am confident that if the problem were tackled in the right way that is cooperatively by the Canadian Pacific, the Department of Trade and Commerce and the Labour department as well, if it is thought necessary, a solution no doubt could be obtained in the very near future.

Mr. J. R. MacNICOL (Davenport): Mr. Speaker, I was also a member of the committee which met last year and listened carefully to all the evidence submitted to it. As a member of the house I voted in favour of the report of the committee, and I believe I ought to make a brief statement with reference to the resolution now under consideration.

Before going into detail may I say that I observed a good deal of applause from the government benches when the hon. member (Mr. Reid) introduced the vitally important resolution now before us. The applause would seem to indicate that if it goes to a vote those who applauded so vigorously will not do as they did yesterday, after they had applauded the motion of the hon. member for Kootenay West (Mr. Esling) in connection with an amendment to the Copyright Amendment Act of 1931. Yesterday hon. members opposite who were in the house applauded the motion most vigorously.

Mr. ELLIOTT (Middlesex): There is no objection to applauding.

Mr. LAPOINTE (Quebec East): We applauded a good speech.

Mr. MacNICOL: The Minister of Justice (Mr. Lapointe) cannot get away with that. When the vote was called quite a number of hon. members left the chamber, and those who came in for the vote like good children stepped up to the front and did as they were told. They voted against that which had been applauded by hon. members who were in their seats. I hope there will be a little more stamina in their backbones to-day. Although at the moment I am not stating whether or not I should support the resolution, may I say it is of such tremendous importance that I do not believe we should be hasty in coming to a decision. I notice the Postmaster General is looking at me earnestly.

Mr. ELLIOTT (Middlesex): I am not applauding.

Mr. MacNICOL: Upon looking at the minister's estimates I notice a subsidy of $600,000, which must have been endorsed by the government, to be given to the Canadian Pacific Railway Company to carry mail to the orient.

Mr. ELLIOTT (Middlesex): In what department?

Mr. MacNICOL: Under the Postmaster General, at page 38 of the estimates.

Mr. ELLIOTT (Middlesex): Look again.

Mr. MacNICOL: The minister should have the information without asking me for it. I refer to page 38 of the estimates, under the heading "Mail Subsidies and Steamship Subventions." However, this is a small item so far as the Post Office Department is concerned, and probably the minister has forgotten it.

Mr. ELLIOTT (Middlesex): It is under the Department of Trade and Commerce.

Mr. MacNICOL: As the vote to which I have referred must have been discussed and endorsed by the government, in what position will the government be when it deals with the resolution now before us? That is why I said at the outset that if the government is opposed to the resolution, all hon. members opposite who have spoken in favour of it will have to step up to the front and vote against that which they applauded and which, by their speeches, they have favoured.

In the absence of the Minister of Trade and Commerce (Mr. Euler) I suggest we should have a statement from the acting minister indicating the government's position. No doubt a resolution of such importance has been discussed by the government. The chairman of the committee which sat last session, the hon. member for North Battleford (Mr. McIntosh), proved to be an excellent one. He went to no end of trouble to see that the committee obtained all the information which could assist it in arriving at a decision. The suggestion he made a few moments ago appeals to me; as a matter of fact before he made it I had the same idea in mind. He has recommended that the government appoint someone to go to Vancouver to ascertain whether the statement made by the Canadian Pacific Railway Company—and I have questioned them in the matter—to the effect that there are not men available to replace the present crews, or the contention of the hon. member for New Westminster that men are available, is the true one. In what position are hon. members when they must judge as to the accuracy of either contention. The government ought to be in a position to tell us whether or not they have made an investigation. Had I been minister of trade and commerce I would have had someone go to Vancouver to make a thorough inquiry into the submissions of the hon. member for New Westminster and of the Canadian Pacific Railway Company.

I am in earnest when I say it was obvious that the hon. member was sincere in his observations. I believe he was conscientious, that he made an exhaustive inquiry, and that his presentation was in the interests of the working men of Vancouver. On the other hand I have no reason to doubt the sincerity of the position taken by the representatives of the Canadian Pacific Railway Company who appeared before the committee. Contradictory statements were made, and I repeat the suggestion of the chairman of the committee that someone should be sent to Vancouver to ascertain which of the two statements is one hundred per cent true, and whether or not anything can be done.

We are now faced with the necessity of voting either for or against the resolution. If we vote for it we are agreeing that no further moneys from the treasury of Canada by way of subsidy be given to the Canadian Pacific Railway Company towards the operation of the Empress ships operating between Vancouver and the orient. Certainly there is no give or take in the wording I have quoted; we must vote either for or against it. If we vote for it, what will happen? There would be no use in the Postmaster General granting $600,000 to carry the mail to the orient. If we vote for the resolution now before the house we immediately shut out the necessity for the money asked by the Postmaster General. The minister shakes his head,—well, I tell him that if the house accepts the resolution and if every hon. member who votes for it intends to stick to the value of his vote, then those hon. members would have to vote against the minister's estimate.

Mr. ELLIOTT (Middlesex): I hope not.

Mr. MacNICOL: They cannot vote for it. Hon. members cannot vote for a resolution which states we must not give a subsidy to the Canadian Pacific Railway Company and then later vote the very subsidy we say we must not give. I am fully in accord with the recommendations the committee made at the last session. They were read, but I think they are worth reading again, leaving out the preamble in each case.

1. . . . and that they be requested—

That is the Canadian Pacific Railway Company.

—to afford Canadian seamen a reasonable degree of employment at the earliest possible convenience.

I am strongly in accord with that. I believe the Canadian Pacific Railway Company should employ workmen who are citizens in the fullest sense of the term. How otherwise are we to have a completely Canadian marine service? Someone—I believe it was the hon. member for Halifax (Mr. Isnor)—speaking a short time ago, strongly advocated the employment of Canadians, and so do I. I would go as far as the suggestion referred to by the hon. member for North Battleford (Mr. McIntosh), and if the further employment of Canadians should necessitate an increase in the subsidy I would be in favour of it. I recall that a year ago when the Canadian Pacific Railway Company's representatives appeared before the committee, they intimated that they would be in accord with such a proposal, and that if a larger subsidy were given they would go further than they have done in employing Canadians. The second recommendation was:

That . . . the Canadian Pacific Railway Company be requested to replace the orientals now so employed by Canadian seamen, and that this change be made at the company's earliest opportunity.

I am not sure whether the company has yet had sufficient opportunity to select and try out the number of seamen sufficient to carry out all the recommendations made by the committee.

An hon. MEMBER: They have had seven months.

Mr. MacNICOL: I am in favour of the recommendations we made, but I should like the responsible minister of the crown to tell us just exactly what will be involved if this resolution is carried. It states in emphatic language that no subsidy should be given, and that means immediately. My mind is not definitely made up as to what I should do. Will the minister representing the Minister of Trade and Commerce tell us what is the import of this resolution? If it will cripple the Canadian Pacific Railway Company, this house should think carefully before passing any resolution of this kind. I am not here to speak for the Canadian Pacific Railway Company. During my whole life I have been associated with thousands of workmen, and their interests are paramount with me; but having had that experience I realize that one cannot help labour by crippling a great organization like the Canadian Pacific Railway Company. I know what industry is. I am talking from twenty-five years of experience of the practical end of it, not book knowledge or the knowledge of a man who looks at industry from the outside. If you cripple industry you reduce employment. I think the government should be in a position to tell us, before we vote on this resolution, what will be the actual effect if it is passed. When all is said, the Canadian Pacific Railway Company have done a very great deal for Canada. If my memory serves me aright, last year it was stated before the committee by one of the company's representatives that they had 53,000 men employed in their business in Canada.

Mr. REID: Railways and all.

Mr. MacNICOL: Of course, railways and all. You cannot hurt one part of an organization without hurting the whole of it. In addition they purchased in Canada $53,000,000 worth of goods, a large proportion of which would represent labour. I remember that I asked a Canadian Pacific railway witness where they carried on their repairs. Some repairs, if not most, it was stated, were made in Hong Kong. Then I asked him where they got the material that was used in making repairs to their ships, and he said, in Canada and in Great Britain.

It is not up to me to say just what should be done to this resolution, but it is the duty of the government to tell this house, before we go any further, what their position is in reference to a refusal, in accordance with this resolution, to give a subsidy to the Canadian Pacific Railway Company unless they immediately employ Canadians and displace the orientals now engaged. I am in favour of the Canadian, but I do not approve the crippling of any great industry without knowing the effects upon trade and employment in Canada.

Mr. WOODSWORTH: Before the hon. member takes his seat, might I ask him if, as representing an industrial constituency, he considers it in the interests of Canadian workmen to have work done in Hong Kong.

Mr. MacNICOL: I asked the witness that question, from the point of view that personally I favoured having the work done in Canada. But the reply was that in Hong Kong the docks, including machine shops and the necessary equipment to make major repairs on their ships and engines, were more suitable, and I understood that if the work was not done in Hong Kong they would have to send the ships to Great Britain or the United States as we did not have that equipment in Canada. I am sorry we have not; I would much rather that we had, but as we have not I would rather that the work be done in Hong Kong, a British territory, than in the United States.

Mr. J. P. HOWDEN (St. Boniface): I have but a very few words to say on this matter. I notice that most of the hon. members who have spoken to the motion were members of the committee which investigated this matter and brought in a report. It is nearly a year since the report was presented, and the substance of it may be a little hazy in the minds of many members. It is not my desire or intention to read the whole report, but it seems to me that the intent and wording of the report were very clear and that there should not be much difficulty about making up one's mind as to what should be done with this resolution. If, therefore, I might claim the indulgence of the house for a few moments, I should like to read the explanatory paragraph dealing with the Canadian Pacific railway oriental ships on the Pacific coast. May I explain that there are, apparently, three types of Pacific coast shipping dealt with: coastwise shipping, shipping to Australia and New Zealand, that is the antipodes, and

shipping to the orient, which is carried on by the Canadian Pacific Railway Company's Empress boats. In the report the explanatory paragraph states:

Oriental shipping: the third type is chiefly carried on by the Empress boats of the Canadian Pacific railway transpacific service. These ships receive a substantial subsidy from the government. The total number of men employed to man them is 2,033, of whom 265 are white British, engaged as officers and engineers. The remaining 1,768 are Chinese, comprising 277 deck-hands, 558 in the engine room, and 933 victuallers. It is claimed by the company that, as much of their passenger trade, namely 67 per cent, through and local, is oriental, this type of labour is not only cheaper, but infinitely more satisfactory than white labour, since the latter could not be gotten to cater to oriental passengers on the one hand or mix with oriental labour on the other. It is moreover claimed by the company that the service is now supplied at a serious yearly loss and that the extra cost involved in the substitution of Canadians for orientals would make the service practically impossible of operation.

That paragraph practically covers the testimony which was submitted to the committee on this matter, and it is explanatory; it leaves nothing very much to be guessed at. The committee has taken it for granted that the testimony contained in that paragraph was bona fide and was the real substance of the investigation so far as orientals on Canadian Pacific ships are concerned. And we have taken it for granted that the statements made are true; we give them full credit for their truth. Our recommendation on the occasion was:

That, as up to the year 1913, the decks of the Empress boats were manned by white seamen, and inasmuch as the deck service is an important and responsible branch of the work of these boats, the Canadian Pacific Railway Company be requested to replace with Canadian seamen, the orientals now so employed, and that this change be made at the company's earliest opportunity.

I do not believe there is anything very arbitrary in that report. The report seems to me to be a very reasonable and fair-minded view of the whole matter, and the request embodied in it, submitted to the Canadian Pacific Railway Company, to replace Chinamen on deck with white seamen, as had been the practice prior to 1913, is a very reasonable one. It does not involve such a very great change, because 277 deck-hands out of a total of 2,033 is not a very large number.

I am going to vote for this resolution, naturally. I believe it is reasonable and fair. In my opinion the request made of the Canadian Pacific is altogether fair and, besides that, it is in the interests of the travelling public that the decks of these boats should be manned by white seamen. This is not an inconsiderate request to make. Altogether the resolution is eminently reasonable and I cannot see how any member of the committee can do anything but vote for the report which was submitted. I am voting for it.

Mr. J. J. KINLEY (Queens-Lunenburg): I desire to say a word in support of the resolution inasmuch as it is of interest to the seafaring people of Nova Scotia, where unemployment is a problem. Nova Scotia being a maritime province, it is, of course, natural that the people should wish to make a living on the sea. With the passing of sailing ships in our province we had many splendid sailors and many officers who, being advanced in years, and not having started with the big companies as apprentices and worked their way up, found that there was no place for them in the seafaring commerce of the world. This has been a problem in Nova Scotia for some years. There was a time when our men could go to the United States and get berths on American vessels, and by that means a good many Nova Scotians maintained their families in the province. But the United States has tightened up its laws in the interests of its own nationals. Its immigration and shipping laws are more restrictive to-day, so that Nova Scotians are not able to find the employment which was available to them in that country a few years ago.

This problem that faces us now is not new; it is the outcome of selfishness—the common selfishness of large corporations which act in their own interests. Shipping has become highly centralized and perhaps necessarily so, and enterprises that become so centralized use their influence with the government of the country to obtain subventions and subsidies. They get what protection they need, and after they have obtained that protection for themselves they want to hire sailors in the world market. That is unfair, and it is not even in sympathy with the policy they represent to the government. If there is one class of people who need protection to-day it is those of our nationals who try to make their living on the sea.

We have no colour problem on the eastern coast; the yellow peril does not exist to the same extent there. I should regret, therefore, to see the colour line drawn, because we have many coloured sailors and citizens in our province.

An hon. MEMBER: It was not drawn; the resolution was amended last year.

Mr. KINLEY: I am glad to hear that. The Dominion Coal Company asked for a subvention; it also asked for protection on coal in order that it might sell to the people of central Canada coal mined in Nova Scotia. I subscribed to that request. At the same time, however, they will hire foreigners to man their ships in the coastal trade of Canada to carry our coal to the markets in which it is sold, and I as a representative of Nova Scotia am expected to support that policy, while they are operating against the interests of the people I represent. That is not good enough. Those who think they can advance their own interests in Canada by means of such a selfish policy will find in time that they are working only against themselves.

In my opinion, we surrendered the privileges and the rights we enjoyed when we entered into the merchant shipping agreement with the British Empire. There may be some reason why in inter-ocean trade there should be some latitude in the hiring of sailors, but why we should give up our rights in the coastal trade and hire anyone but Canadian citizens is something which I cannot understand. This country cannot hope to compete with the sailors of Europe, and if we are ever to have a merchant marine we must see to it that we go through the educational and missionary period, so to speak, and produce and sustain sailors who will be a credit to Canada. Most of the ships on the Atlantic coast are manned by aliens, while there are many Canadians who would like the job. This year the merchant shipping agreement is due to be revised. There is to be an imperial conference after the coronation, and I submit to the Minister of Transport (Mr. Howe) and the government that in making any future arrangements they should take into consideration the interests of Canadian seamen.

We hear a great deal about the balance of trade between Canada and Great Britain. We sell them natural products. Do not forget that they have the carrying of all these goods, and that there is sometimes more profit in carrying the goods than in selling them. You must set off against the trade balance of this country the money that goes out for insurance and carrying charges. We sold our Canadian merchant marine ships that were running to Australia. I think that was a short-sighted policy for this country. We performed the missionary work; for years these ships did not pay, and immediately they began to show a balance on the right side we sold them for practically nothing and allowed other people to do our carrying trade. It is most important with regard to foreign trade that we control the transportation, because the moment others get control they can raise the freight rates. Also if it is in the hands of outside interests, if they see that we are doing too much competition business with another country, they can control it through freight rates.

No country becomes great that does not pioneer upon the sea. All the great countries of history were great upon the sea. In Canada, if we hope to build up the merchant marine and build up a good export trade, we must see to it that our trade routes are properly sustained, that we have men able to man our ships, and that we have the proper trade treaties with foreign countries. So this resolution is of more importance than we may at first think; it is important not only for the present but for the future; our merchant marine is an important factor in building for the future. Also we should do like other countries, look after our own nationals and give them preference in our own country.

Hon. NORMAN McL. ROGERS (Acting Minister of Trade and Commerce): I hope the mover of the resolution (Mr. Reid) will feel that its purpose has been largely served by the discussion which has taken place this afternoon. Most, if not all, of those who have spoken were members last year of the industrial and international relations committee. Without exception I think they have expressed disappointment that the Canadian Pacific Railway Company have not seen fit to comply with the request of that committee, which was concurred in by this house. I say without any hesitation that I share that disappointment.

At the same time this resolution goes far beyond an expression of disappointment. I should like to consider first its form, and then its substance, both very briefly. I think it is correct to say, as indeed the hon. member for New Westminster acknowledged, that it is not proper to speak of a request concurred in by this house as an order of parliament imposed upon the Canadian Pacific Railway Company. Obviously the concurrence of this house in that report was in the terms of that report. In other words, it is a request that was communicated to the Canadian Pacific Railway Company. For that reason I do not think it will be possible for this house to accept the resolution in respect of its final paragraph, because the suggestion there is that a penalty should be imposed upon the company for non-compliance with an order of this parliament. As I said a moment ago, I share fully the disappointment of other members of the committee in the failure of

the company to comply with the request, but I do not believe that we can go to the length of assuming that an order was communicated to the company and that we are entitled to impose a penalty upon the company for refusing to obey an order.

I should like to say a word regarding the communications between the Department of Trade and Commerce and the Canadian Pacific Railway Company. There was no negligence and no delay on the part of the department in communicating the request of the committee as concurred in by this house to the company. The report was concurred in on June 17. On June 29 a letter from the department was sent to the company clearly setting forth the resolution, and the attention of the company was directed to it. On July 8 the Canadian Pacific Railway Company replied to that letter and in their reply they indicated that they doubted their ability to comply with the request upon three grounds: first, that the company could not afford to carry out the request for the employment of Canadian seamen as deck-hands on the trans-pacific service without additional subsidy—

Mr. CAHAN: Has that been communicated to the house?

Mr. ROGERS: I believe these papers were placed upon the table of the house as a parliamentary return.

Mr. CAHAN: Recently? I tried to find them but I could not.

Mr. ROGERS: Within a few days.

Mr. CAHAN: They should not be gone into unless they are at the disposal of the house in considering an important matter like this.

Mr. ROGERS: My impression is that they were placed upon the table of the house on Friday last.

The second objection by the company was to the effect that they anticipated difficulty from labour troubles if Chinese deck-hands were replaced by Canadians. And the third objection, which to my mind is the one material objection, is based upon a doubt as to whether there were enough white seamen available to make the required replacements.

Mr. McINTOSH: All those matters were discussed fully in the committee.

Mr. ROGERS: That is quite true. We have this difference of opinion, however. The hon. member for New Westminster pointed out this afternoon that evidence was submitted to the committee last year that some eleven hundred seamen of all classes were available for employment—I believe that was in British Columbia. He also stated this afternoon that he had discovered by inquiry of the relief department of British Columbia that there are 300 men now on relief in Vancouver who give their occupation as seamen. We have also had it stated that the shipping master of Vancouver reported eighty-five seamen as available. In other words, there is a marked discrepancy in the figures as to seamen who conceivably would be available to replace Chinese deck-hands in the service in question. It has been suggested by the hon. member for North Battleford (Mr. McIntosh) —and I believe his suggestion was approved by the hon. member for Davenport (Mr. MacNicol)—that where such a difference of opinion exists there should be a most thorough investigation to ascertain the facts. It does appear to me that before we are entitled to go further with this matter we should make such an investigation in regard to the availability of a sufficient number of suitable seamen in Vancouver as might be conducted, for example, by a representative of the Department of Trade and Commerce and a representative of the Department of Labour acting with the shipping master of Vancouver. I am bound to say that at first glance it does not seem reasonable that you could not find two or three hundred suitable seamen in Vancouver or along the coast of British Columbia. On the other hand it should be said in fairness to the Canadian Pacific Railway Company that they have indicated that it would not be wise or in the interests of safety at sea to take on inexperienced seamen. They also draw a distinction between seamen engaged in the coastwise trade and seamen accustomed to deep sea navigation.

Mr. WOODSWORTH: If Canadian seamen are not available, according to the Canadian Pacific, might they not find some British seamen whom we could bring over as immigrants?

Mr. CAHAN: There are British seamen employed now. There is no doubt that they are British.

Mr. ROGERS: I believe as a matter of fact that the Atlantic services of the Canadian Pacific are now staffed almost exclusively in that way.

Mr. WOODSWORTH: I mean for the Pacific services.

Mr. CAHAN: The seamen employed on the oriental service to Hong Kong and Manila are British subjects.

Mr. ROGERS: These seamen are British subjects; that has been put forward as part of the contention of the Canadian Pacific Railway Company.

I should say one further word in regard to the suggestion made by the hon. member for New Westminster (Mr. Reid) and supported by the hon. member for Halifax (Mr. Isnor). It does seem unsatisfactory that this country, with a Pacific and an Atlantic coast line, should have done so little to develop employment in shipping services. I agree entirely that an effort in that direction is overdue. I have never been able to understand clearly why shipping companies operating Canadian services do not seem able to take on Canadians as apprentices. There was a time in Nova Scotia when Joseph Howe made the prediction that this little province one day would maintain half a million men upon the sea. Even in that day it seemed perhaps an extravagant prediction, but that was in the days of sailing vessels, and the sails of Nova Scotian vessels could be found in the far harbours of the world. To-day that prediction seems fantastic. I have not the figures before me, but I doubt very much whether more than a very few thousand inhabitants of Nova Scotia follow permanently the calling of the sea.

In many fishing ports of the maritime provinces undoubtedly there are young men who, if given the opportunity, I am sure would be willing to follow that calling, and I have no doubt that the same is true on the Pacific coast. The Canadian Pacific Railway Company, through its officials, has informed me that it now employs Canadian cadets on the Pacific ships. That, I think, is decidedly a move in the right direction, but I feel that much more could be done in order to train some of our Canadian young men for the mercantile marine. Just how we might proceed in that direction is perhaps not a matter which we need discuss at the present time, but I am inclined to think that corporations which receive substantial assistance through subsidies from the Canadian government have an obligation, in addition to that which they would have without subsidies, to do what can reasonably be done in order to provide such training and such opportunities as might assist us in this country in going further in developing a mercantile marine and in affording maritime employment, particularly to some of our younger men.

I need say no more on this question. At the beginning of my remarks I said I hoped the mover of the resolution would feel that his object had been served very largely by this discussion. I do not think we can go the length of adopting the resolution in its present form, so I would ask the mover if he would withdraw it, on the distinct understanding that the Department of Trade and Commerce, I think I may say acting in conjunction with the Department of Labour, will look into this question of the availability of Canadian seamen for oriental service in Vancouver and in British Columbia generally, and will continue efforts already undertaken to induce the Canadian Pacific Railway Company to do what reasonably may be done to afford a larger degree of employment to Canadian seamen on these vessels.

Hon. C. H. CAHAN (St. Lawrence-St. George): Mr. Speaker, I have just a few words to say. In the first place, the ships that are employed by the Canadian Pacific Steamship Company in the oriental trade are not Canadian ships; that is, they are not registered in Canada.

Mr. ROGERS: Are they not of Canadian registry?

Mr. CAHAN: No, I believe they are registered in London; at least that was so a short time ago, and they are really owned in London. They come under the Merchant Shipping Act of England and are controlled not only by that statute but by the regulations drawn up under it.

Mr. ROGERS: I speak subject to correction, but I always understood that the Pacific ships were of Canadian registry and the others were of British registry.

Mr. McIVOR: Subsidized by Canada.

Mr. CAHAN: Well, Canada gets full value for what she pays for the transmission of mails over those lines. I have been over the Canadian Pacific line through to Yokohama, to Kobe, down to Shanghai and Hong Kong, on to Manila and return, and I have seen the operation of those ships. From my observations I would have been surprised at the statement contained in the report of the special committee which has been quoted by the hon. member for St. Boniface (Mr. Howden) and which no doubt, as he states, gives a fair synopsis of the evidence presented before that committee, that sixty-seven per cent of the through and local passenger traffic is oriental. I notice that in the evidence presented and summarized by the consul general of China and attached to the report as an exhibit it is stated that from September 7, 1935, to November 16, 1935, an accurate computation showed that 61·57 per cent of the through passengers of all classes were orientals

and 72·53 per cent of the inter-port passengers of all classes were oriental. I should have thought, from my observation, that the percentage would be larger than that, but probably that is an accurate computation, which is better evidence than my observations.

But, Mr. Speaker, those ships are operated under peculiar circumstances. For instance, from the time the ships enter the port of Shanghai until they return and leave the port of Shanghai—that is, during the voyage from Shanghai to Hong Kong and on to Manila and back, touching at intermediate ports—those ships are veritable ships of war, and carry a contingent of sepoys of the Indian army for protection. That is absolutely necessary. They are the only safe ships for Chinese passengers operating on that Chinese coast which are adequately protected against raids of pirates. From my observation I doubt very much whether you will find Canadian seamen prepared to accept even the rates of wages suggested by my hon. friend from New Westminster for service as deck-hands on those ships. From memory it seems to me that the officers and cadets were largely Canadians. The commander of the Empress of Japan was a Canadian, and I think the cadets on that ship included a number of Canadians also.

I doubt very much whether the ordinary Canadian sailor is prepared to mingle with and be part of a crew of Chinese seamen. I doubt if he would be willing to submit to supervision for weeks at a time on a ship sailing south and north by a contingent of Indian sepoys. It may well be that there are sixty or more unemployed seamen registered with the shipping officials of the government at Vancouver, but I doubt whether that number are available for this particular service.

So far as the other services on board ship are concerned, three-fourths of these stewards would be employed in the preparation and serving of food for Japanese and Chinese passengers. Chinese are required for the preparation and service of this food, because most of them understand sufficient Japanese to communicate with passengers of that race. Therefore a great deal is to be said in favour of the employment of so-called oriental seamen and oriental servitors.

Mr. ROGERS: I do not think the question of stewards has arisen; it is solely a question of the deck hands.

Mr. CAHAN: Some complaint is made as to the number employed in the other services. The hon. member for St. Boniface (Mr. Howden) quoted the report of the committee in this connection. I understood that emphasis was placed on the fact that Chinese were employed in the engine room and as victuallers. These ships purchase a large part of their supplies at Hong Kong. This is natural, in that the necessary supplies can be obtained more readily at that port. I noticed that some supplies were taken on at Vancouver, and also some fruit at Honolulu, but that was all. When seventy-five per cent of those on board are accustomed to Chinese or Japanese food as prepared by orientals, it is useless to talk of employing Canadians to perform this service. I doubt very much whether Canadian boys could be found who would be prepared to undertake such menial service as attending upon these oriental passengers.

A good deal has been said about shipping in Nova Scotia. The young men in Nova Scotia, who are prepared to start at the bottom to learn the marine engineering trade or the work of manning and operating a steamship, are now able to secure employment, but the fact is that the great body of young men who come out of school to-day believe they are fitted for some higher occupation in the educational and social scale. Very few of them are offering for this sort of marine service.

I had not looked into this resolution before, as no one had ever called it to my attention. However, the hon. member for New Westminster (Mr. Reid) told me the other day that he was bringing up this matter again. I am sure that the resolution cannot pass in its present form. The committee made a request; in their report they recited certain facts and then recommended that the Canadian Pacific Railway Company be requested to replace orientals now so employed with Canadian seamen, and that this change be made at the company's earliest opportunity. I think it would be improper to regard those words as an order from this house. I do not know whether the house would be competent to make an order under the circumstances. We would be ordering a British ship registered under the Merchant Shipping Act of England to replace British subjects who are orientals with Canadian seamen simply because, first, the ship touches at the ports of Vancouver and Victoria, and, second, because it receives a certain amount under a contract for carrying mails. This is not a subsidy; it is a mail contract under which the company receives $50,000 per month, if I remember correctly. There is a contract outstanding. The question may arise as to the

renewal of the contract when it is terminated. The present contract was made on June 26, 1936, and upon its termination a new contract must be drawn up and executed.

What is the government prepared to do? Is it prepared to do what is suggested, namely, to refuse to pay for the carriage of their mails to oriental ports by British shipping when the only competitors for this service, which is important to Canada and important to the whole empire, is American shipping sailing out of the port of San Francisco? That shipping is most heavily subsidized by the post office department of the United States.

Mr. KINLEY: And employing American citizens.

Mr. CAHAN: The subsidy is so heavy that they can afford to hire American citizens and pay them twice the wages paid to British subjects. They are not British ships and are not operating under the Merchant Shipping Act of England. True, they are employing American citizens, but it must be remembered that the sailors on these ships, who are hired at Hong Kong, are British subjects. Furthermore, if we sever that contract, refuse to extend it or attempt to make a new contract at the end of the current year, where will Canada obtain the service? I recall that when I served as a member of the privy council the question of this service came up for consideration. We went into it thoroughly and were convinced that it could not be maintained except through the payment of a proper compensation for the carrying of mails. I have not discussed the matter with the Canadian Pacific Railway officials, but I have read, and from statements made in public and the financial statements put out by the Canadian Pacific Steamship Company I have reason to believe, that this service is now being operated at a loss. That fact has been recognized by officials of the British Board of Trade in England. Only recently in the press I read a statement to the effect that the British Board of Trade is recommending that subsidies, in addition to those paid by Canada, be paid by the British government for the purpose of securing the maintenance of this service.

Therefore I believe the government would be wise indeed, as the Minister of Labour suggests, to take some further time to consider the whole matter. I went into the matter pretty thoroughly with my colleagues in the late government, when the question of subsidy was before us in 1933 and 1934. I acquired information which, although it may not be quite accurate at this time, leads me to the belief that it would be a gross neglect of national duty if at this date the government were to attempt to sever the contract or to refuse to extend it without first ascertaining all the real, basic, underlying facts—and those facts cannot be obtained in shipping offices in New Westminster or Vancouver. Grave international considerations would have to be discussed and weighed by the government. Therefore I trust the house will not adopt the resolution and that the hon. member for New Westminster, whose pertinacity and assiduity we all admire, will realize that there are graver interests concerned, especially in view of the relations among competing countries on the Pacific and other grave issues which may arise in that quarter. I believe he will admit that full and complete inquiry is required, and that that inquiry should be made before any decision is taken to cancel the present contract, or before the government decides it will not renew the contract except upon conditions mentioned in the resolution.

Mr. HOWDEN: In the hon. member's opinion is it reasonable to expect the railway company to consider the replacement by white labour of the 277 oriental labourers who man the decks?

Mr. CAHAN: Under the circumstances I doubt whether it is reasonable to state that a ship operating under the British Merchant Shipping Act should in all cases employ Canadian rather than British seamen. I believe the committee are to be commended in setting forth in their report the case as they understood it, and as indicated in the passage read by the hon. member for St. Boniface. They were acting within their legitimate jurisdiction in making the recommendations they did make. It is another matter, however, to decide whether their recommendations could be carried out without serious loss to the company and without grave repercussions in quarters other than New Westminster and Vancouver.

Mr. R. E. FINN (Halifax): Mr. Speaker, I regret exceedingly I was not in the house when my colleague from Halifax (Mr. Isnor) addressed the house.

An hon. MEMBER: Louder.

Mr. FINN: This is the first time I have ever been asked to talk louder. I was pleased, too, to hear the statements of the hon. member for St. Lawrence-St. George (Mr. Cahan),

who also comes from Nova Scotia. I do not wish to misinterpret his observations, but I believe the effect of his statement was that the company was receiving $2,000 per month for carrying the mail.

Mr. ROGERS: $50,000.

Mr. FINN: I have before me an estimate which shows that the Canadian Pacific Railway Company on the Canada-China and Japan service is receiving $600,000.

Mr. ROGERS: Yes, for the year.

Mr. CAHAN: $50,000 per month.

Mr. FINN: This reminds me of arguing a case in court. Fifty thousand dollars per month, if one does not consider the total for the year, looks small; but when it is $600,000 a year, over half a million, it looks large. The same company, for its service on the Atlantic, receives $250,000 from the treasury of Canada.

Hon. members have spoken about oriental deck crews and the reluctance of white people to mingle with the orientals in filling positions on board ship. There is a condition in connection with the West Indies service which I believe has been carried a little too far. I refer to the exclusion of the white man to the advantage of the coloured man. I want to be fair to Sir Edward Beatty, president of the Canadian Pacific Railway Company, and to the shareholders of the company, when I repeat my observations of last year to the effect that for its service on the Atlantic the company in question receives a subsidy of $250,000 per year for carrying the mail. Their port is the port of Saint John. I have no objection whatever to that. It is a sister eastern port that was developed largely under the right hon. leader of the opposition (Mr. Bennett) when he was prime minister of this country; I refer to Courtenay bay. But I would say in reference to the port of Halifax, upon which millions of dollars have been spent, that the Canadian Pacific Railway Company should consider turning at least one or two of their boats at that port each year and not turning them all at Saint John. They now turn there all their Mont boats, all their Duchess boats, and all their Beaver boats of 10,000 tons deadweight capacity which are freight carriers. The hon. member for St. Lawrence-St. George (Mr. Cahan) has correctly stated that they come under the British Merchant Shipping Act; they are under the British flag; they are not registered in Canada but in the old land. They are receiving three-quarters of a million dollars a year in Canada and are paying no attention to the desire for development of all ports in connection with their service.

[Mr. Finn.]

There is no doubt that the Canadian Pacific Railway Company are giving a splendid service. They have excellent ships, and their new boat, the Empress of Britain, is, if not the largest, one of the finest in the world. But I would say, as I said last September to Sir Edward Beatty in conversation with him at Montreal, that the officials of the company should consider this question, because under the former administration, and in the days of the late president of the Canadian National railways and steamships, Halifax being the eastern terminus of the Canadian National system, an agreement was entered into with the Cunard line and the White Star line by which they were provided with something in the nature of a subsidy on condition that a certain amount of freight should be provided, and the subsidy was to be reduced in proportion to the volume of freight over and above that amount. The result was that the White Star line and the Cunard line increased their business in freight tonnage at the port of Halifax by over fifty per cent. To-day they are calling at the port of Halifax and getting as much as they can, but not as much as we would like to go through the port in order that our stevedores, the men who work on the waterfront, and those who are employed at the terminal in casual and temporary labour during the winter season when the St. Lawrence is closed, may receive more adequate returns. If we are to continue to make grants to the Canadian Pacific Railway Company in respect of their Atlantic service, those two ports should be served by their boats; they should not land passengers and mail and run their own trains over the Canadian National, in competition with that system, to Montreal and through to the west, with the result, as was stated in the committee last winter, that most of the mail to Vancouver was carried on Canadian Pacific trains, because it was said, the Canadian National did not have mail cars, though it was shown when the matter was investigated that the Canadian National had plenty of cars. But the Canadian Pacific Railway Company were carrying practically all the mails to the more important points between Montreal and Vancouver.

We hear a great deal about deficits on the Canadian National Railways. Last year the deficit was $41,000,000 on the Canadian National lines, and on what they call the eastern lines it was $5,400,000. That was made up of two lines in the province of Quebec, the line from Halifax to Riviere du Loup, the roads they have taken over in the maritimes, and the road from Riviere du Loup to Diamond

junction outside Montreal. If that is held up to the people of Canada as a bugbear, as a reason for the unification of the Canadian Pacific and the Canadian National lines, I would submit this consideration, I am not a mathematician, but if reference is had to the number of years that the Canadian Pacific Railway Company have not been paying dividends to their shareholders, it will be found that the annual amount is almost equal to the deficit on the Canadian National system. That is a complete answer to the many public utterances of outstanding men who to-day are favourable to the unification of these two roads, or at least to the handing over of the best paying sections of the national system. Our late lamented leader of the Liberal party, Sir Wilfrid Laurier, placed upon the statute books of Canada the Transcontinental Railway Act. That act was a statutory agreement between the Grand Trunk and the government of the day.

Mr. DEPUTY SPEAKER: Order. I would point out to the hon. member for Halifax (Mr. Finn) that he should confine his remarks to the resolution before the house.

Mr. FINN: Well, sir, as I have once before said in this house, I have never taken exception to your ruling, though it seems to me that I am in the unfortunate position that any point of order which is taken by the chair is taken by the hon. gentleman who now occupies it. I will limit my remarks as closely as I can within the four corners of the resolution. The facts therein contained are food for thought for every hon. member.

The hon. member for St. Lawrence-St. George (Mr. Cahan) made the statement that Canadians do not desire to accept menial positions and therefore it would not be fair to employ them as deck-hands and in similar occupations on these Canadian Pacific boats running out to China and Japan. He also intimated that conditions in respect of weather were such that orientals were more suitable, that they understood the coast better than Canadians. I take issue with him on that point, because it will be found that when we were operating the Canadian merchant marine, running ten ships to Australia and New Zealand, only once was there an accident in typhoons or any other kind of weather that is encountered south of the equator, and that was due to the fact that the third officer of the ship did not carry out the instructions of the captain, who had gone into the chart room in order to refer to the chart, ascertain his true position and take his bearings in reference to cape Moreton light as he was going in and up the lovely Brisbane river, to the city of Brisbane in Australia. If our Nova Scotia captains, officers and crew can successfully navigate these ships on the Pacific, surely they can navigate them to China and Japan. Does my hon. friend mean, and is he serious when he says, that they are not capable, that these Chinese or Japanese are more capable? If so, I would ask him this question: How can he justify that statement in view of the fact that the Empress of Britain is to-day on a trip around the world, and that on that ship is the same crew that operated her between the port of Quebec and the port of Southampton? On this trip around the world she will encounter all sorts of weather, and the tour will take six months. The crew is British, but I am sorry to say there are very few Canadians on board. The captain is a Nova Scotian, as I have said.

As the ex-Prime Minister (Mr. Bennett) said, we maritimers take an interest in the development of our young men. To-day, however, we find that young men of twenty-two, twenty-three and twenty-seven, holding masters' foreign-going certificates, cannot set foot on board a ship because there is not a ship for them to go on board, although, as I have said before, it took us so long to establish a great trade route for which we acquired a number of ships. That fleet was a paying concern when it was sold, ten ships for $450,000, or $45,000 each. Some of these ships were afterwards sold for $115,000 and there is some explanation due the people of this country in that regard. The people must have that explanation. Why were these ships sold in such haste? In the contract there was a clause providing that the ships were to be operated for two years and that, if the officers and crews were competent, they should be retained. But when these ships got into Montreal and were sold at $45,000 each, the captains and officers simply had to walk ashore without a job. The ships were sold to the Japanese and Chinese and to-day the steamship companies that are operating the line to Australia and New Zealand have not on their ships one Canadian; they have not one maritimer, not one man from British Columbia, nor any Canadian from the inland waters.

The hon. member for St. Lawrence-St. George comes from Halifax, having lived there a great many years, and he knows the calibre of men there—and the same is true of the men of New Brunswick and Prince Edward Island. And yet these men are to-day landlubbers, with nothing to do but to look out and see the waves washing on the shores of Nova Scotia. When things have come to such

a pass I submit that before we vote these vast sums of money for any steamship company, whether it be a British or a Canadian, an Australian or a New Zealand company, we should see to it that Canadians are taken care of. Our first duty is to Canada and Canadians, and I hold that the responsibility is with the government and not with hon. gentlemen opposite who relinquished that responsibility in 1935. The responsibility is to see to it, without disrupting any of the great services either on the Atlantic or the Pacific, that our Canadian sailor lads—and I speak more particularly for those of Nova Scotia and especially those lads in the county I have the honour to represent along with my colleague (Mr. Isnor)—shall be fairly represented among those who are engaged on ships operated by companies that receive subsidies. To my knowledge there are on the Canadian Pacific boats two cadets who are Nova Scotians, but apart from these most of the men are from the old land. In order to get a place our men must go to England and serve for a time on some training ship, then enter as cadets and work their way up to the rank of fourth officer, and so on. This was not the way with the hardy men on the coast of Nova Scotia; it was not the training that the commander of the Empress of Britain received, the commodore of his fleet. He was never a cadet; the ships on which he served were schooners, brigantines, barques, full-rigged ships, and he worked his way up to the very high position he now occupies as commodore of the Canadian Pacific fleet, a great honour to Canada and especially to the province from which I come.

Before these subsidies are paid, I submit that there should be taken up seriously with the executive of the various companies who are operating these ships to Australia and New Zealand, under a holding company in Montreal, with the executive of the Canadian Pacific, and with the management of other lines, the question which we have been discussing to-day affecting our Canadian seamen. Let me say that I am not singling out the Canadian Pacific, because they give splendid service and many millions of dollars are involved. I do submit, however, that there should be at least what might be called a happy compromise to the advantage of those in Canada who make their living on the sea, who have taken up seamanship as a profession, and whose ultimate goal is that which has been attained by the captain of the Empress of Britain. I regret to say, however, that the opportunity for such men is passing rapidly, as rapidly as we are passing generally from the old school into the new, not only in politics but in every other walk of life. One does not realize that more than when he is at the grave of someone who has passed to the great beyond and hears those words pronounced—"He is no more." The Canadian sailor lad might say, the Nova Scotia sailor lad might say, as the Spanish champion said:

> No more, there is no more to lift the sword for now,
> My king is false, my hope betrayed, my father; O! the worth,
> The glory and the loveliness are pass'd away from earth.

Right Hon. R. B. BENNETT (Leader of the Opposition): At a convenient time when the estimates are under discussion I propose to discuss the question of shipping as it affects this country. It is not my purpose to do so now. I rise to direct the attention of the minister responsible for the administration of the department to the language of the resolution. Surely the Minister of Justice (Mr. Lapointe) will agree that this house cannot adopt a resolution in that language—

Mr. ROGERS: I sought to point that out.

Mr. BENNETT: I thought the minister intended to. We cannot adopt this resolution—

Mr. ROGERS: I entirely agree.

Mr. BENNETT: —in view of the effect it would have upon the whole system of government provided for by the British North America Act. It is unfortunate that the hon. member for New Westminster (Mr. Reid), who is so happy in expressing his opinions and so tenacious in holding them, should not have spoken to someone before he placed in his resolution these words:

> And whereas the recommendation presented by the committee passed the House of Commons unanimously, and thereby became an order of parliament.

Parliament consists of three estates: the crown, the senate and the commons. Until such time as parliament has acted in the manner provided for by the British North America Act, any action of this house cannot be said to be an order of parliament.

In the next recital the hon. member unfortunately repeats it:

> And whereas the Canadian Pacific Railway Company has ignored the instructions and has not complied with the order given by parliament.

And in the closing paragraph of the resolution he says that they should not receive subsidy—

> —until such times as they do obey the order of parliament.

I have no observations to make about the resolution except that surely the government cannot permit such a resolution to be placed upon the journals of this house without doing such violence to our constitutional practice as will run contra not only to the declared foundation of our constitution, but also to the judgment in the referendum and initiative case, in which the court of last resort expressed the view that there could be no valid legislation of that kind because it was essential that the three estates—in that case two, the lieutenant governor as well as the legislature—should operate together to produce a valid law. It would be beyond my conception of the eternal fitness of things if the Minister of Justice permitted such a resolution as this to be placed upon the journals of the house.

Mr. DANIEL McIVOR (Fort William): One reason why I am very much interested in this resolution is its bearing upon our greatest national problem, namely unemployment. If there are not enough efficient white sailors on the Pacific coast, we have at the head of the lakes a large number of unemployed sailors, any one of whom would be as good as any three Chinamen. I do not blame Sir Edward Beatty for what he has done, because I think he is doing just what every hon. member is trying to do, serving his constituency in the best possible way at the least possible cost. The opinion of the Canadian Pacific Railway Company is contained in the report; I wonder whether any further investigation would result in their changing their opinion. If one company has taken notice of the findings of our committee, why not another? To my mind they have shown discourtesy to our committee. Whether the committee was intelligent or not, we sat under a very intelligent chairman; the committee did its best; we had all the facts before us; we arrived at our conclusions and the house honoured them.

Mr. THOMAS REID (New Westminster): I am sorry that the time remaining this afternoon is too short to reply in detail to many of the statements and opinions expressed by hon. members on this resolution. But there are some that I should like to touch upon briefly before six o'clock. One is the statement made by the acting Minister of Trade and Commerce (Mr. Rogers) regarding the numbers of unemployed seamen. It is true that when the matter was debated in the committee before, there were figures given of some eleven hundred unemployed designated as seamen on the Pacific coast, and that this afternoon I quoted official figures from the Vancouver relief office, showing some three hundred plus eighty-five, given by the shipping master in Vancouver. But that, I claim, is aside from the point. The Canadian Pacific Railway Company did admit under oath that one Canadian employed would replace two if not three Chinamen. There are employed on the decks of these four steamers a total of 330 Chinamen. If the ratio of two to one is taken, it would mean that there would be employed 165 Canadians in place of the Chinamen. I think no one will seriously dispute the statement that there could be found among the present unemployed on the provincial government's register 165 men who could be placed on the decks of these steamers, and who would have been, I maintain, if the request of this house had been carried out. I am well aware that the statement of the leader of the opposition (Mr. Bennett) is correct; it was not exactly an order of parliament. At the outset of my remarks I made it very clear that the wording of the resolution is not quite correct. However, it was a request of the house, and as stated by the minister, that request was conveyed by the department to the Canadian Pacific Railway Company.

Personally I am not against the granting of subsidies to steamship lines; I realize that in these days of subsidized shipping subsidies must be granted to enable these steamship companies to carry on. But I was surprised to hear the statement of the hon. member for St. Lawrence-St. George (Mr. Cahan) that all these ships are registered in London. I was under the impression that they were registered in Canada, although of course they are British ships.

Mr. CAHAN: If the hon. member will allow me, I have looked into the matter and I am assured by the department that the Empress of Japan, on which I journeyed, is registered in England, and the same is true of the Empress of Canada. The other two ships are registered in Canada.

Mr. REID: Be that as it may, the fact is that they are receiving large sums from the treasury of Canada; they operate as British ships, and we as Canadians are British subjects. I was also interested in his statement that he was of opinion that Canadians would not fulfil properly the duties which the Chinamen are now performing on these vessels in the far east.

Mr. CAHAN: I did not suggest that.

Mr. REID: Well, I took the words down as the hon. member was speaking.

Mr. CAHAN: I did not suggest that they were incapable of doing the duties. I suggested that under the conditions they would not be willing to be employed to do them.

Mr. REID: I doubt that very much. Of course I have heard the statement made that on ships travelling to the far east oriental or Lascar crews must be employed. It may interest the house to know that British passenger ships sailing to the far east have only some 11 per cent of Lascars in the crews, that the crews as a whole are practically British, and even the deck crews fifty-fifty. I have the figures from the British Board of Trade Journal, and if I had time I should like to place them on Hansard. The figures are given for passenger ships of the same size operating over the same routes to the far east from Great Britain, and their crews are 11 per cent Lascars and 89 per cent British.

Mr. CAHAN: I travelled on an East Indian ship on which the only white people were the chief officers and the steward. Every other person I saw was a Lascar or East Indian.

Mr. REID: The reason the committee recommended that Canadian deck-hands be employed was this: It was felt that perhaps it would be unfair at the start to ask Canadians to work among Chinamen, but it was felt that one particular part of the crew might be replaced by Canadians.

In my opening remarks I pointed out that practically every country employed its own nationals. It may interest the house to learn what was done just the other week by France. France has passed an order providing that all salmon going to that country from Canada must be carried in French bottoms. They are looking after not only their seamen but their shipping; they are now demanding that goods imported from Canada shall be carried in French ships. If you investigate every country, with the single exception of Canada you will find that some provision or another has been made for the employment of its own nationals. On the Australian line operating from Vancouver to the orient, which is in keen competition with the United States lines, practically all the employees are British subjects.

I should like to point out to the house that it is not only the wages which are paid that determine whether or not the service shall succeed. At the British shipping conference last fall it was stated that the Matson line, which is in competition with the Canada-Australian line, is superior to the Australian line for two reasons; first, the speed of their vessels and, second, the courtesy of their employees. For these reasons that line is taking trade away from Canadian ships; yet when the committee was in session we were told by the Canadian Pacific that Chinamen were so courteous that Americans and others were very glad to travel in our vessels in preference to others. This shipping report, which was laid on the table just the other day, states that the United States line is taking a great deal of trade away from the Canadian ships because of the speed of their vessels and the courtesy of their employees.

Mr. BENNETT: May I ask who asserts it is the courtesy of the employees of the Matson line that is responsible for getting trade away from the Canada-Australian line?

Mr. REID: I have the 1935 report of the shipping committee with regard to the possibilities of a British passenger and cargo service between western Canada and Australia and New Zealand. On page 19 of that report I read:

> The important fact to be borne in mind is that the Matson line has won its present position not by cutting rates but by superiority of amenities and speed.

I take that "superiority of amenities" to mean superior courtesy.

Mr. BENNETT: I just wanted to know if the hon. gentleman was putting his own construction on it, because if there is one thing that is not so, it is that the courtesy shown on those ships is greater than that shown on ships of the Canadian-Australian line. The word "amenities" is not open to the construction the hon. gentleman has placed upon it. I do not desire to discuss the point now; I shall do so later.

Mr. REID: I am sorry I have not time to develop that a little more. Neither my right hon. friend nor I was at the conference, so while my opinion may not carry quite as much weight as his, I suppose I am still entitled to it.

Mr. BENNETT: Quite so, but "amenities" in that case has nothing to do with courtesy.

Mr. REID: I see it is getting near six o'clock. As I have said, I am not against the granting of some subsidies, and I realize that subsidy agreements have been signed. The Minister of Labour (Mr. Rogers) has made the suggestion that I withdraw this resolution, and he has said that the matter will be taken up by a committee consisting of one representative from the Department of Labour and perhaps one from the Department of Trade and Commerce, who will investigate at first hand the situation in pacific coast

ports. I think I would be inclined to accept that suggestion, on the distinct understanding that the matter will be fully investigated and that the bald statement of the Canadian Pacific Railway Company that there are no men available, together with their statement that they prefer Chinamen to Canadians, will be seriously looked into. And I hope that committee will not overlook the strong stand taken by that company against the employment of our own people. Surely it is a laudable thing to attempt to secure employment for our own Canadian people, and I make no apology to anyone for my stand on behalf of our Canadian nationals in preference to orientals from Hong Kong or from other countries.

I wish I had time to develop further the argument introduced by the hon. member for St. Lawrence-St. George (Mr. Cahan) that these orientals are British subjects. When I previously introduced this question it was held by the then government of which he was a member that those orientals from Hong Kong were British subjects. I seriously dispute that view; I claim they are orientals and Chinamen. However, I am prepared to accept the statement of the Minister of Labour with the understanding that this matter will be gone into fully and seriously and a report made as to the real reasons why the request of parliament can not be carried out.

Mr. W. A. FRASER (Northumberland, Ont.): May I suggest that in considering this problem the minister take full cognizance of the competition of United States and Japanese subsidized lines, and secure complete information as to the position of Canada in transpacific shipping and the desirability of maintaining transpacific routes with subsidized ships, as referred to by the member for New Westminster (Mr. Reid).

Motion withdrawn.

At six o'clock the house adjourned, without question put, pursuant to standing order.

Thursday, February 4, 1937

The house met at three o'clock.

ELECTIONS AND FRANCHISE

FIRST REPORT OF SPECIAL COMMITTEE CONCURRED IN

Mr. C. E. BOTHWELL (Swift Current) presented the first report of the special committee on the elections and franchise acts, and moved that the report be concurred in.

Motion agreed to.

BUSINESS OF THE HOUSE

PRECEDENCE FOR GOVERNMENT BUSINESS ON AND AFTER MONDAY, FEBRUARY 8

Hon. ERNEST LAPOINTE (Minister of Justice) moved:

That on and after Monday, the 8th of February next, to the end of the session, government notices of motions and government orders shall have precedence on Mondays over all other business except introduction of bills, questions by members and notices of motions for the production of papers.

He said: I am informed by the government whip that he has communicated with the whips of the various parties and that this motion is agreeable.

Mr. WOODSWORTH: I understand that there will be no move on the part of the government for some time yet to take away Wednesdays.

Mr. LAPOINTE (Quebec East): No.

Motion agreed to.

ANTHRACITE COAL COMMISSION

Hon. NORMAN McL. ROGERS (Minister of Labour): Mr. Speaker, I should like to table the report of the royal commission on anthracite coal.

Mr. CAHAN: Will the report be printed and distributed?

Mr. ROGERS: I am informed that arrangements have already been made for the printing and distribution of the report.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

DUFFIELD BUILDING, HAMILTON, ONT.

Mr. LENNARD:

1. Is the building known as "The Duffield Building," at Hamilton, Ontario, still leased by the federal government?
2. If so, to what use is this building being put this winter?
3. What is the approximate monthly cost of maintenance for this building?

Mr. CARDIN:

1. Yes.
2. Vacant since December 1, 1936.
3. Winter months—$397 a month.
   Summer months—$95 a month.

RAILWAY MAINTENANCE WORK, 1936

Mr. MacINNIS:

1. How many men were employed on the deferred maintenance work during the summer of 1936: (a) on the Canadian National rail-

ways; (b) on the Canadian Pacific railway, under the agreement entered into between the Canadian government and the said railways?

2. Were all the men employed by the said railways, under the agreement with the government taken from government relief camps?

3. What were the total amounts paid by the government under said agreement to: (a) Canadian National railways; (b) Canadian Pacific railway?

4. What were the total amounts by which the government reimbursed: (a) Canadian National railways; (b) Canadian Pacific railway, for (1) wages; (2) board and lodging; (3) bedding; (4) medical aid?

5. If the railways were reimbursed for medical aid, what medical aid services were rendered by the said companies?

6. What were the total amounts paid by the government to reimburse the railway companies in settlement of all claims mentioned in paragraph 5 of the said agreement?

7. What were the total amounts paid by the government for transportation under paragraph 2 of the said agreement to: (a) Canadian National railways; (b) Canadian Pacific railway?

8. What was the average number of days worked per man with: (a) Canadian National railways; (b) Canadian Pacific railway?

9. What was the average wage per man, for the season's work with: (a) Canadian National railways; (b) Canadian Pacific railway?

Mr. HOWE:

1. (a) Canadian National railways.. 7,987
   (b) Canadian Pacific railway.. .. 8,344

2. No.

3. (a) Canadian National railways, $1,300,000.00; (b) Canadian Pacific railway, $1,326,026.17.

4.	C.N.R.	C.P.R.
(a) Wages.. ..	$1,300,000.00	$1,310,237.93
(b) Board and lodging	Nil	Nil
(c) Bedding ..	Nil	Nil
(d) Medical aid	Nil	Nil

5. The accounts of the companies for medical aid as presented to date are included with accounts for workmen's compensation and are presently under audit. No payments have yet been made to the companies covering these accounts, which amount to:

Canadian National..	$9,727.03
Canadian Pacific..	9,085.18

6. See answer No. 5.

7. Accounts received to date:

Canadian National..	$2,451.77
Canadian Pacific..	3,430.27

8 and 9. As to average number of days worked and average wage per man. The days worked per man varied from two to three days to the full period of six months, and the wages earned ranged from $5 to $312, depending on the duration of employment. The maximum permitted to be employed by each company under the agreements in question was 5,000 or 10,000 altogether, and to secure results a total of 16,331 had to be hired, including neighbourhood unemployed. The work gangs averaged 35 men, and there were two pay-rolls per month, or twelve pay-rolls altogether, covering maintenance projects from one end of Canada to the other. To work out the averages requested would entail examination and analysis of the days worked and amounts paid each of these employees on each and every pay-roll, and such information could only be secured at great expenditure of time and money. And, even if secured, the results would be inconclusive and misleading.

[Mr. MacInnis.]

IMPORTED CLOVER SEED—COLOUR REGULATIONS

Mr. BERTRAND (Prescott):

1. When and why were staining regulations on imported red clover seeds established?

2. Why was it recently removed from seed imported from British Isles and New Zealand?

3. Was there any official request made by British government for removal of such staining regulations?

4. At whose request were these changes made?

Mr. GARDINER:

1. In 1923 colour regulations were applied to imported southern grown red clover seed.

In 1926 the seed importation regulations were amended to provide for the colouring of imported red clover seed grown in the United States 1 per cent orange, all other countries 1 per cent green, except red clover seed from southern countries such as Italy, Africa or part of Turkestan, which was required to be coloured 10 per cent red.

In 1928 the colour for imported red clover seed grown in the United States was changed from orange to navy blue.

These colour regulations were established as a result of plot tests conducted by the dominion agrostologist showing that red clover seed grown in southern countries was not sufficiently winter hardy to withstand Canadian climatic conditions, while red clover seed grown in countries with climatic conditions similar to those of Canada were quite or nearly as winter hardy as Canadian-grown seed.

2. Colour regulations were recently removed from imported red clover seed grown in Great Britain and New Zealand on the recommendation of the advisory board under the seeds act. It was represented that no similar requirement is made by these countries when seed is exported from Canada, and that, since our export trade in alsike, red clover and other kinds of seed is of considerable volume and value, the same treat-

ment as received by us should be extended to these countries. It was also pointed out that red clover seed originating in Great Britain and New Zealand is of about comparable value to Canadian-grown seed in respect to winter hardiness, and is relatively free from many objectionable impurities now common to Canadian-grown seed; that in a year when there is a surplus Canadian production, seed imports will not be required, but when there is a shortage, imports must be made to supplement domestic production. Under these conditions serious market competition need not be feared.

3. No.

4. The British and Canadian Seed Trade.

OLD AGE PENSIONERS, NEW BRUNSWICK

Mr. BROOKS:

What is the number receiving old age pensions in the province of New Brunswick under the following headings: (a) pension of $20; (b) over $15 and less than $20; (c) over $10 and including $15; (d) over $5 and including $10; (e) $5 and under?

Mr. DUNNING: I should like to point out to the hon. member who has asked this question that a great deal of detailed work is required to answer it. Old age pensions are administered by each of the provinces, which make returns to the federal government, of course, in order to justify the payment of the federal government proportion. To answer a question such as this involves a complete examination of every name, because the returns are not classified in the manner in which the question is asked. I would ask my hon. friend to allow the question to stand to-day and to give consideration to a possible amendment of it with a view to making the reply easier and less expensive.

Mr. BROOKS: This question was partly answered the other day.

Mr. DUNNING: Yes.

Mr. BROOKS: I assume it can be answered along the same lines as the question that was answered the other day with reference to those receiving twenty dollars.

Mr. DUNNING: If it is insisted upon it will be answered.

HEALTH OF ANIMALS BRANCH—DOCTOR DUNBAR

Mr. NEEDHAM:

1. Has Dr. Dunbar, V.S., Melfort, Saskatchewan, been appointed to the staff of the Health of Animals branch?

2. If so, is the appointment permanent or temporary?

3. How often did he take an oral or written examination to qualify for a position on the staff of the Health of Animals branch?

4. What were the dates of these examinations?

5. What marks did he obtain in each case?

6. What marks were necessary to qualify for the position sought?

Mr. GARDINER:

1. Yes.

2. Temporary, part-time.

3. Twice.

4. April 24, 1928; August 2, 1933.

5. 28·2 per cent and 46 per cent, respectively.

6. 70 per cent.

ENLISTMENTS IN 22ND BATTALION

Mr. POULIOT:

1. Who are the young men from the county of Témiscouata who have been recommended for enrolment in the 22nd regiment at the citadel of Quebec since October, 1935?

2. Upon what dates did the Department of National Defence receive these applications or recommendations?

3. How many of these young men have been enlisted in the 22nd battalion?

Mr. MACKENZIE (Vancouver):

1. A. Leblanc, Cabano, 23-11-35; G. Breton, Cabano, 25-1-36; R. Laplante, Cabano, 13-3-36; S. Ouellet, Ste. Rose du Dégelé, 13-3-36; W. Beaulieu, Rivière du Loup, 6-3-36; G. Boucher, Cabano, 4-4-36; C. Gagnon, St. Jean de Dieu, 12-1-37.

2. On dates as stated against the names in the preceding answer.

3. A. Leblanc.

TELEPHONE LINES, MATAPEDIA-MATANE

Mr. LAPOINTE (Matapedia-Matane):

Will the telephone lines constructed in Matapedia-Matane during the fall of 1935, and not in operation at the present time, be put into operation, and, if so, when?

Mr. CARDIN: It is expected that the telephone lines built in the Matapedia-Matane constituency in the fall of 1935 will be placed in operation as soon as satisfactory co-operation is forthcoming from the municipalities in which these lines extend. This matter is now being dealt with by the public service commission of Quebec and it is not known how soon a definite settlement will be arrived at.

SHIPPIGAN, N.B., POSTMASTER

Mr. BROOKS:

1. Was Alphonse G. Robichaud appointed postmaster at Shippigan, New Brunswick?

2. If so, has the department been informed of any alleged irregularities in his office since his appointment?

3. If so, has an investigation been held, and what, if any, is the nature of the irregularities in detail?

Mr. ELLIOTT (Middlesex):

1. Yes.
2. Yes.
3. The only irregularity reported is in connection with a shortage of $30.92 found in the official cash during an inspection on the 14th January, 1937. This was attributed by the inspector to the post office funds having been mixed with the postmaster's private funds.

STE. ANGELE, QUE., POSTMASTER

Mr. WERMENLINGER:

1. Has Cyprien Plante, postmaster at Ste-Angele, Rimouski county, been dismissed? If so, (a) on what date; (b) what reason was alleged for his dismissal; (c) was an inquiry held in this case?
2. (a) What are the names of the other postmasters in the county of Rimouski who were dismissed; (b) was an inquiry conducted in each case?

Mr. ELLIOTT (Middlesex):

1. Yes—(a) 5th September, 1936; (b) Change of site; (c) Yes.
2. (a) Joseph Michaud, St. Donat de Rimouski; Mrs. A. R. Tremblay, St. Gabriel Est; Etienne Levesque, Mont Joli; Timothée Rioux, La Société; Adélard Levesque, Biencourt; Alcide Boucher, Lac des Aigles; Joseph Lebel, Luceville. (b) Yes.

MONT JOLI-STE. ANGELE, QUE., MAIL CONTRACT

Mr. WERMENLINGER:

1. Was Emile Plante, who carries the mail from Mont-Joli to Ste-Angele, Rimouski county, informed that his contract would be cancelled by the government in the near future?
2. If so, why?

Mr. ELLIOTT (Middlesex):

1. Yes.
2. In the public interest.

MONT JOLI, QUE., POSTMASTER

Mr. WERMENLINGER:

1. Was Etienne Levesque, postmaster at Mont-Joli, dismissed? If so, (a) when; (b) for what reason; (c) for how many years had he held such office at Mont-Joli?
2. Was an inquiry held in his case? If not, why?
3. What amounts were paid as salary to the postmaster at Mont-Joli in 1935?
4. Is there a post office named Mont-Joli Nord? If so, how far is it situated from the Mont-Joli post office?
5. When was the post office at Mont-Joli Nord established, and for what reason?
6. Were applications received from returned soldiers for the postmastership of Mont-Joli? If so, (a) what are their names; (b) why were they not appointed?

Mr. ELLIOTT (Middlesex):

1. Yes (a) 16th July, 1936. (b) Insufficient attention to duties and unsatisfactory management. (c) Twenty years.

[Mr. Brooks.]

2. Yes.
3. $3,677 out of this amount the postmaster had to pay for his staff and office supplies.
4. Yes. ¼ of a mile.
5. 6th April, 1927. In order to give improved postal facilities to residents on north side of the town which is separated from the south side by railway and tunnel.
6. Yes. (a) Alphonse Martin. (b) No permanent appointment made yet.

MONT-JOLI NORD, QUE., POST OFFICE

Mr. WERMENLINGER:

1. What amount will the government pay as rental for the new post office at Mont-Joli Nord after January 15?
2. To whom will such rental be paid, and who is the owner?
3. Who supplies the furniture for the said post office?
4. What was the rental paid for the former post office, and, in both cases, who has or had to look after the repairs?

Mr. ELLIOTT (Middlesex): The department is not aware of any recent change in post office quarters at Mont-Joli Nord. The postmistress provides at her own expense the post office premises and equipment and receives as compensation an allowance amounting now to $100 a year based on the revenue of the office.

QUESTIONS PASSED AS ORDERS FOR RETURNS

TRAVELLING EXPENSES OF CABINET MINISTERS

Mr. BARBER:

1. What was the total amount of the travelling expenses of members of the government for the calendar year 1936?
2. What was the amount of the travelling expenses of each member of the government for the same period?

Mr. GRAY:

1. What was the total amount of the traveling expenses of the government for the fiscal years ending 1932, 1933, 1934, 1935, and 1936?
2. What was the amount of the travelling expenses of each member of the government per year for the same period?

MONTREAL CUSTOMS SERVICE

Mr. JEAN:

1. What are the names of all the officers and other employees, permanent or temporary, who were employed in the customs service at Montreal during 1936?
2. What was the nature of their duties, and what salary did each one receive during the year?
3. Upon what dates did they commence their duties, and were they appointed by the Civil Service commission, the Department of National Revenue, or otherwise?

MONTREAL INLAND REVENUE SERVICE

Mr. JEAN:

1. What are the names of all the officers and other employees, permanent or temporary, who are employed in the inland revenue service at Montreal during 1936?
2. What was the nature of their duties, and what salary did each one receive during the year?
3. Upon what dates did they commence their duties, and were they appointed by the Civil Service commission, the Department of National Revenue, or otherwise?

MONTREAL—AGRICULTURE DEPARTMENT EMPLOYEES

Mr. JEAN:

1. What are the names of all officers and other employees, permanent or temporary, who were employed in the service of the Department of Agriculture at Montreal during 1936?
2. What was the nature of their duties, and what salary did each one receive during the year?
3. Upon what dates did they commence their duties, and were they appointed by the Civil Service commisson, the Department of Agriculture, or otherwise?

MONTREAL—NATIONAL DEFENCE EMPLOYEES

Mr. JEAN:

1. What are the names of all the officers and other employees, permanent or temporary, who were employed in the service of the Department of National Defence at Montreal, during 1936?
2. What was the nature of their duties and what salary did each one receive during the year?
3. Upon what dates did they commence their duties, and were they appointed by the Civil Service commission, the Department of National Defence, or otherwise?

MONTREAL—HARBOUR SERVICE

Mr. JEAN:

1. What are the names of all the officers and other employees, permanent or temporary, who were employed on the harbour service at Montreal during 1936?
2. What was the nature of their duties and what salary did each one receive during the year?
3. Upon what dates did they commence their duties, and were they appointed by the Civil Service commission, the harbour commission, or otherwise?

MONTREAL—PUBLIC WORKS EMPLOYEES

Mr. JEAN:

1. What are the names of all the officers and other employees, permanent or temporary, who were employed by the Department of Public Works at Montreal, during 1936?
2. What was the nature of their duties and what salary did each one receive during the year?
3. Upon what dates did they commence their duties, and were they appointed by the Civil Service commission, the Department of Public Works, or otherwise?

BANK OF CANADA BUILDING

On the orders of the day:

Mr. RALPH MAYBANK (Winnipeg South Centre): I should like to ask a question of the Minister of Public Works (Mr. Cardin). It is announced in the newspapers that the government is proceeding with the erection of a building for the Bank of Canada in Ottawa. Can the minister say whether the specifications for such building will permit the use of Tyndall stone from Manitoba, which was used in the erection of this centre block building? The people of Manitoba are anxious to know whether restrictions which have existed hitherto with reference to that stone will be removed in the future, and in particular with respect to this building.

Hon. P. J. A. CARDIN (Minister of Public Works): In answer to my hon. friend I would say that this government has nothing to do with the construction of an office building for the Bank of Canada. The bank itself, not the government or the Department of Public Works, is providing for that building. It is therefore a matter for the bank.

FOREIGN POLICY

PROPOSED STATEMENT OF PRINCIPLES TO APPLY IN RESPECT OF WAR, THE CAUSES OF WAR, AND WAR MUNITIONS OR MATERIALS

The house resumed from Thursday, January 28, consideration of the motion of Mr. Woodsworth:

That, in the opinion of this house, the foreign policy of Canada should conform to the following principles:—

1. That under existing international relations, in the event of war, Canada should remain strictly neutral regardless of who the belligerents may be.
2. That at no time should Canadian citizens be permitted to make profits out of supplying war munitions or materials.
3. That the Canadian government should make every effort to discover and remove the causes of international friction and social injustice.

Mr. C. E. JOHNSTON (Bow River): In continuing from the other day my remarks with respect to this resolution, I wish to make it very clear that I am voicing only my personal opinions, and I think it is up to every member of this house to do the same.

The problem of war is one which, to my mind, is dealt with too lightly. I discussed the other day the first two paragraphs of the resolution, and I wish now to refer to the third paragraph, which reads:

That the Canadian government should make every effort to discover and remove the causes of international friction and social injustice.

There, I think, lies one of the main causes of war, and I think there should be in this house a great deal of concentrated thought upon that one subject. I am in full accord with this part of the resolution; in fact, as I said before, I am in entire agreement with the principle of the resolution as a whole, but in view of the fact that it was probably rather loosely worded, some things in it would have to be changed before I could vote for it.

I believe that one of the great causes of discontent is connected with the search for foreign markets in the endeavour to expand national trade. It seems to me that a good deal of friction thereby occurs between the nations, because every nation is looking for the same thing. If our attention were more closely drawn to the possibilities of the home market through the supplying of our own people with the goods with which it is possible to supply them, we should not have so much difficulty in that direction.

One of the beneficial results of a proper international organization would be the reconciling of ambitions for colonial expansion. There is no doubt that the war of 1914, in which Germany was the aggressor, was waged for colonial expansion. The war that seems likely to break out in a very short time will be occasioned by the same thing. Surely there is enough colonial territory in the world to provide everybody with sufficient raw materials to carry on the industries they require. The urge for colonial expansion undoubtedly results from the search for raw materials, and if we could attain to some sort of organization, as was suggested in a resolution recently submitted in this house, whereby the nations could get together in conference—though I dislike the word—and discuss their grievances and adjust these difficulties, much good would follow for the world. For instance, if Germany is in need of crude oil, and a conference was held at which all nations were represented, possibly an arrangement could be worked out by which she could receive all the crude oil required for her domestic and industrial needs, though not to the extent of stimulating and increasing or commercializing the accumulation of war material. If our attention were concentrated on these matters we might get a little nearer the solution of the problem of war.

I am largely in agreement with what Bernard Shaw said about conferences in a statement to the Associated Press at San Francisco on March 5:

> Disarmament conferences are utter rubbish. They are held merely to keep the public amused, he smiled. No nation is going to disarm. They sit around a table and say, "If I shoot you with a 14-inch gun will you throw away your 16-inch guns?"

[Mr. C. E. Johnston.]

That has been the idea underlying most of these conferences. It has not been a question of whether we can really solve the difficulties which bring about war; the idea has been, as Bernard Shaw suggests, that if one nation throws away its 16-inch gun the other may shoot at it with a 14-inch gun.

One of the great causes of war is foreign financial investment. I was surprised to see the other day that Great Britain is even now contemplating a loan to finance Italy, a country which no doubt, if there is another war, will be one of our opponents. Why should any of our financial organizations in the British Empire be financing a country which is purely on a war basis? Our financial institutions have made loans to Germany and Russia, and these countries are carrying out a program of aggressive warfare. When our own financial institutions will assist foreign nations in the financing of a war program, I submit they are doing something that is entirely wrong; and that is one of the things which we should do our best to put a stop to.

It is true we have a great many organizations throughout the dominion that are spreading the doctrine of peace; we have anti-war organizations, we have different peace societies; and there are various church organizations that are devoted to peace. But I am reminded of the way in which these different peace organizations functioned during the last war. We have had these organizations for a number of years—we had them even before the outbreak of war in 1914—and what happened when war broke out? These very organizations that broadcast peace throughout the world were turned into a war propaganda machine, and they began to work in the opposite direction. During the war we had churches preaching to the young men to go into the war; in Germany preachers urged them to do the same. There can be no reliance on these peace organizations. I do not mean to imply, of course, that their intentions were not good, but they are not made use of for the benefit of human society, and we should not base our strength on these peace organizations.

I do not think we should entirely disregard the possibility of war; I do not think we should treat it too lightly. In my opinion we should go ahead and prepare a proper defence program, trusting neither to the United States nor to Great Britain nor to any of the other nations. If we declare to these nations that we are going to stand on our own feet, then we should not in any sense of the word depend upon Great Britain. I am absolutely against war and I believe it would be wrong for this

dominion ever to participate in any foreign war without the consent of the Canadian people in the form of a plebiscite or by some similar method. Before we step off the continent to fight in any European war we should have the consent of the people of Canada. I would like to make that clear. If we proceed as the Minister of National Defence (Mr. Mackenzie) has said, on a purely defensive program, the cost involved will not be nearly so great.

This country is especially well-protected by nature. On the south, of course, there is one of the greatest nations in the world, the United States. We have always had amicable relations with them and we need not fear them. At the same time I do not suggest that we should put our trust in them. There is no reason to suppose, however, that the United States would ever attack Canada, nor would Canada attack the United States. Moreover, there is no reason to suppose that the United States would permit any foreign power to use its soil as a military base from which to attack Canada, or vice versa—the rule would work both ways. In the north we are protected naturally by the Arctic and it would be almost impossible for an attacking force to come down upon us on that side. Then we have the Pacific and the Atlantic coasts. These two coasts would have to be protected in a purely self-defence program.

When we speak of the coasts we naturally think of the creation of a navy. In my opinion we have not a navy sufficiently strong to defend our coasts. I submit that we should have a navy second to none. I shall be asked at once: Where will the boats come from? Well, if it is a purely defensive program we should be starting a shipbuilding concern in Canada to provide the ships. This would take care of a great deal of the unemployment that now exists; it would provide work for a large number of Canadians, bearing in mind of course that it is a purely defensive program, and building the ships necessary for a decent navy manned by Canadian seamen. We should have a fleet capable of protecting us against any aggressive force, and it would not require a very considerable fleet either. It would not entail costs nearly as great as if we were preparing a fleet sufficiently strong to attack any of the European countries.

Along with that coastal defence we should have an air force second to none. That could be achieved in two ways. In my opinion, one of the best ways of establishing an air force would be to encourage commercial flying so as to educate fliers in Canada. That is the main thing. An adequate commercial air fleet could be turned almost overnight into a fighting force in an emergency. I do not say, however, that we should put all our strength in that; we should direct our attention to the building up of an effective military air force as well, so that in the event of sudden attack it would be able to take the initiative until the others were organized. That, too, would provide more employment in Canada and would help to solve a problem that faces us at all times. Then, in connection with coastal defence, we should need fortifications; the ocean ports would have to be properly fortified. That is purely defensive, because these forts would prevent any invading fleet from landing on our shores. It would be necessary to have a militia well equipped and possibly a standing army. This would tend to give employment to those now out of work, and it would not cause dissatisfaction among the people of Canada, because I do not believe there is a man either in this house or anywhere else in Canada who would say that we should not be prepared to build up a substantial organization for self-defence so that we should be able to protect ourselves in time of need. I do not think we need worry greatly over foreign invasion, when you consider the fact that it is next to an impossibility for any one of the foreign countries to attack us or to land safely, so as to make any progress. When you consider that fact you realize the absurdity of building up too tremendous a fighting machine, and it would not be in the interests of the country to do that. I submit, however, that we should have one of the best.

Some people may say that Europe is now so well equipped with air forces as to be able to land here overnight. Well, I do not know of any airship built so far that can traverse the three thousand miles of water separating us from Europe and make the return trip without landing here for refueling or repairs. True, the Italians last year demonstrated with a fleet of twenty air machines that they could come over. But what is twenty machines, what is one hundred machines when it comes to a question of conquering this country? And if they had nowhere to land they would be eliminated. Then we should have our own fortifications to meet them. They would have to get by our own fleet and if they got by that, they would have to attack our own air force. But that is not all; if they succeeded in landing their men their difficulty would only then have begun. We would have a militia to meet them, an air force and a navy, and on top of that they would have to establish a permanent base here.

To show you the impossibility of such an attack I want to read an extract from the Saturday Evening Post of November 17, 1936, giving the British experience in the last war:

British experience in the world war indicated that about forty pounds of general cargo per soldier per day was required to supply an army from an overseas base. In the A.E.F. we started out with that figure. We attempted to build up a ninety-day reserve for an army of two million men, but we did not get very far with it. On that basis we would have had to unload 40,000 tons of cargo per day. Loaded on army trucks that would have required a daily truck train more than 150 miles long.

This cargo consisted not only of food, clothing, guns, ammunition and all that sort of thing, but of such little odds and ends as 35,000 motor trucks, 1,500 standard locomotives, 20,000 freight cars, 5,000 miles of standard steel rails and 3,500,000 cross ties. We had all the French ports at our disposal. Our line of communication across the ocean was never seriously threatened. All we had to do was to run ships back and forth like ferryboats. But even so we had to shorten our objective to 30,000 tons per day, and as a matter of fact we never reached 25,000. Our shortage was met by the allies. Our own war experience illustrates why no foreign power could invade America provided we take ordinary common sense precautions to prevent it.

I think that is a very sensible argument. If we take ordinary common sense precautions there can be no question in the world of any foreign invasion of this country. I think, sir, we should have the world's best fleet in our own waters, we should have the world's best army on our own land and we should have the world's best air fleet in our own air, and never step off the soil of Canada without a clear understanding and declaration from the people of Canada, as I suggested a while ago.

One main question is, how are you going to finance this? I was interested the other day when I picked up a clipping from the Hamilton Spectator reporting a speech by the Minister of National Defence:

Hon. Ian Mackenzie, Minister of Defence, explains to a "defence-conscious" country that the government is also "acutely conscious of its primary responsibility for local defence." But, he adds, the question of how far Canada can go in discharging that responsibility depends upon "the extent to which the hard-pressed Canadian taxpayer is able and willing to meet new burdens and new taxes." The price of independence has to be paid.

I contend that if we have to depend for a defence program upon the amount of money which can be extorted from the taxpayers of this country we are not going to get very far. If I may be so bold as to say so, I do not think that was the minister's intention. Directly, yes, but indirectly, no, because the people of Canada cannot stand any more taxation to build up defences if it must be done by the orthodox method of borrowing. During the last war we built up a tremendous national debt; we have not paid it and never will pay it. In view of the fact that we have not paid for the last war, how are we going to finance another? We shall go into debt, just as surely as we are here, if we follow the method proposed by the minister. There is no alternative. I suggest following a different plan of financing. This government should finance its defence program on its own credit, not by borrowing money. To me it is ridiculous to see the government borrowing money from the banks to carry out its program. But, it will be said, if the banks do it there is no inflation. I am not going to argue the point whether or not it is inflation, but I say that if it is inflation for the government to do it, it would be inflation for the banks; if it is not inflation for the banks it would not be inflation if the government did it. The same amount of money would be put out in any case. Suppose it took $50,000,000; if the $50,000,000 can be created by the banks why should it not be created by the federal government? One of the speakers on this side said the other day that the former government created in that way about $15,000,000 for the railways. That did not cause inflation; you never heard any question of it. They said it was a time of emergency. Well, surely this is a time of emergency, and surely this is a time to take every precaution to build up good defences and keep our country from going any further into debt. If it could be done without serious consequences then, why can it not now?

The logical thing is for the dominion government to create the amount of money it would otherwise borrow from the banks, put the money in the Bank of Canada, if you like; pay them for the clerical work, say a quarter of one per cent—I am told that the actual cost is about one-seventh of one per cent for bookkeeping, but pay them well; I do not advocate cutting it too small, give them one-quarter or one-half of one per cent for the clerical work. One of the great advantages of this method of financing—which has been followed by the government in the past without any serious consequences, and could be done again without any more serious consequences, and would not be inflation if done by the government any more than it would be if done by the banks—is that we would not have to tax our people for the next five hundred years to pay the interest on a debt the principal of which never could and never would be paid.

There is one thing that would have to be considered no matter how this program is financed, that is, if we are to follow the declaration of the Prime Minister (Mr. Mackenzie King) the other day when he said there should be—he did not say there would not be—no profiteering, no blood money, no blood profits from war. Following that declaration I say there should be controlled prices. During the last war the price of wheat was controlled when it was going too high, and there is no doubt they will do it again as to that commodity. Why, then, can they not control prices of other articles? We know there were tremendous profits made in the last war. This is the time, right now, in this session, to go ahead and plan defences and let the people of Canada know exactly what the government intend to do and how they intend to do it. Then everyone will be satisfied.

Mr. L. A. MUTCH (Winnipeg South): When this debate began a week ago last Monday it occurred to me that there was something ironic in the fact that it was initiated on the anniversary of the poet who optimistically wrote about the time—

> That man to man, the world o'er
> Shall brothers be for a' that.

That poet, however, was not always so optimistic; in another poem he wrote something which I have been treasuring in my mind for a good many years and obeying literally for the last two sessions. The lines are something to this effect:

> In politics if thou wouldst mix, and mean
> thy fortunes be,
> Bear this in mind; be deaf and blind, let
> great folk hear and see.

I cut that out about twelve years ago and have carried it ever since, but a few minutes ago I threw it away because it is no longer for me, at any rate for the time being, to follow that very sage advice. On this particular question I had thought to be silent in this house as I have been hitherto, but, sir, as one of those who fought in the great war to make the world safe for eight or ten or twelve per cent or whatever can be got —not, as the hon. member for Grey-Bruce (Miss Macphail) suggested, to keep the world safe for democracy—it seemed to me the expression of opinions in respect to foreign policy for Canada should not be left entirely to those who were either too young to fight in the last war or will be too old to fight in the next. It seems to me the returned soldiers of Canada have kept too much aloof from politics. If this country was worth dying for, as thousands did die, surely it is worth the while of those who survive to take some interest in and attempt to play some part with respect to the foreign policy of this country. The youth of to-day have been told so often the future belongs to them that the majority of them have come to accept it literally and are, I believe, willing to step in and carry on at any time. On the other hand, another generation older than ours has carried on through about twice their normal space of time in the direction of the public affairs of Canada. They have done that not perhaps of their own volition but because the generation which to a great extent disappeared during the last war has been so busy trying to establish itself, to keep alive and pay for the war they fought, that until recently they have not been in a position to take part in public affairs. We who belong to neither of these generations touch both of them. We, whose illusions are gone, perhaps need something of the vigorous, selfish viewpoint of youth. We who are a bit hasty in condemning smugness and lip service need the restraint of our more diplomatic elders. We need something of the tact, the diplomacy and the steadiness of the older generation who have carried on throughout the most trying period of our history.

The motion is divided into three parts. I take it, sir, that it relates more to the question of foreign policy than to that of defence. If I may be permitted to express my mind I would say that the first part of the motion is nonsense and the third part is only a pious expression. There are many of us who feel that the meat in the resolution is to be found in the second part. Mr. Speaker, when the day dawns in which war is unprofitable, that day will be the dawn of universal peace.

It has been stated often that in war everyone loses. That, sir, is arrant nonsense. It would be true to say that no matter who wins or loses the battles, the same people always win the war. Some of the greatest fortunes of the world were based on a foundation the mortar of which is human blood. I need not elaborate that point, because it is something the truth of which every hon. member is aware. And so when we look over the situation, as we listen to some of the discussions relevant to the question of national policy, and a great many that are not relevant to it, I wonder when we are going to stop fooling ourselves. When shall we stop chattering about treaties, leagues, and armaments? When shall we stop defining ourselves as militarists or pacifists, or whatever designation we may apply? We are playing our little part in the wings and leaving the centre of the stage to the apostles of the high god Mammon, whose right hand is Mars.

We ought to be honest with ourselves and with each other. We ought to be able to say definitely that when the hour strikes, if it does strike, the financial resources of Canada will be conscripted to the last dollar, even as men are taken, to the last unhappy youth. Do that, sir, and we shall have struck a blow in our own defence which not only will be heard but will echo and reecho around the world and without shedding blood. Then we shall be on our way toward peace, that which has been described as the peace that passeth understanding. I do not know why it passeth understanding unless it is because we talk so much about it that we cannot think about it. Perhaps we cannot hear the message of peace because of the clang and clank of the money-changers in the temple—and by that I mean the armament manufacturers.

The Prime Minister has said that the element of profit is necessary to the supply of arms and munitions. I agree with him. I wish he would say to the world that so far as Canada is concerned there is no profit to be made out of war. If that means nationalization of munitions in time of peace as well as war, I am still for it. If governments were as careful of our individual lives as they are of our collective credit we would feel a great deal more secure. I doubt whether any government can control inflation, but I know that while there is profit in war no government can protect us against it. Ten millions of people cannot forever hold half a continent in an overcrowded world. Neither can they defend it. It has been said that in the Armageddon to come Canada is in a favoured position. May I say to the house that if Armageddon comes, Canada, in the parlance of the gangster, is "on the spot." If might is to prevail, then it will seek the choicest prize. Look about you: throughout the world to-day there is no greater object of envy than the Dominion of Canada.

Permit me to repeat that there is too little of real honesty in discussions of this subject. I am pleased to note that so far in the debate there has been little of the emotional cant which is generally associated with true patriotism. My loyalty, sir, is not only to the land of my birth, but to the people in it. My inheritance is not a ploughed field, but a free spirit; mine is not the supreme Japanese privilege of dying for my country but the opportunity of living in it and doing something, if I can, to help the others who live in it to attain the free life which should be the lot of every Canadian. We cannot free the world from war; but, sir, we can declare on the question of war profits that Canada has taken a firm stand.

[Mr. Mutch.]

Then, another point has arisen in the debate which irritates me, as a returned soldier, and always has the same effect. Reference was made to men who fought and died for $1.10 per day. As a former soldier may I say the expression amuses me when it does not annoy me. Those who died in France and by whose graves some hon. members stood last fall did not die for $1.10 a day. The money element in war is reckoned not in wages but in dividends. Those men died for an ideal—hazy, half-understood; most of them would have scorned a description of it. But it was real. There was nothing of mob fatalism in their action. Beneath exteriors as varied as their numbers they wore a shining armour of idealism worthy of a greater and better cause. Deluded?—maybe; deceived?—perhaps; grumbling?—sometimes. Suffering and wretched, they carried on till death. Need I say it is beneath the dignity of any hon. member or any person outside the house to suggest that those men acted only for mercenary reasons, for $1.10 a day. Theirs was not the disillusionment; that was reserved for us, who did not die. We talk too much and think too little. We crave action when we ought to pause and reflect. There is no dearth of opportunity for action. We in Canada, in common with the world, have problems worthy of all the patriotic endeavour we can muster. There is a clear challenge to a fight with a worthy foeman, poverty—a fight in which none is conscripted but in which all must serve. It is a fight in which man allies himself with God, not as in the great war when the German carried His name on his belt-buckle and romantic British journalists described His angels leading from the clouds, but as one reverently thinks He intended us to act, in the fight against man's inhumanity to man.

I revert, in closing, to the resolution before us. Despite all I have said I cannot support it. The first clause limits our actions without having any regard to our position or need. The third clause offers lip service to an abstraction. It breaks no new ground and presents no appeal. It offers nothing and promises nothing. It is only a wind-sock on the political landing field. Parliament owes the Canada for which a generation died something more concrete, something more definite and something more sincere.

Mr. J. C. LANDERYOU (Calgary East): Mr. Speaker, many hon. members have declared that Canada should have armaments for defence purposes. Many people through the country express the opinion that war is inevitable and that before many months have

elapsed Canada will be fighting someone somewhere. However, these people have not said whom we are to fight or what will be the point of dispute. I have heard no one name an aggressor; no one has stated definitely what such an aggressor might be after.

When we consider the question of Canada's defence we must also consider the natural protection we enjoy. It has been pointed out by the hon. member for Grey-Bruce (Miss Macphail) that we are given protection on the east by the Atlantic ocean, on the west by the Pacific ocean, on the north by the great frozen barriers and on the south by a friendly republic. My opinion is that the west coast is not in danger of attack. China is in no position to attempt a conquest of Canada and the conquest of Manchukuo by Japan will engage the attention of that country for years to come, especially when we have in mind the strained relations between Russia and Japan, and also between China and Japan. Further, our neighbour to the south would never allow the conquest of Canada by any Asiatic nation. I believe one may safely say that for many years to come Canada need not fear for the safety of her west coast. No one would suggest seriously that any country in north or south America would consider the conquest of this country.

When we look to the east coast we find thousands of miles of water separating us from the great nations of Europe. Who would believe that Russia, Germany, France, Italy, Poland or any of the Balkan states is considering a possible conquest of Canada? No nation in Africa is in a position, nor has it the desire, to attack us. I believe it may be safely stated that in the near future Canada is not in danger of attack. All hon. members realize that up to the present the League of Nations has not proved an effective instrument for the maintenance of peace. I feel however, that it should be upheld and supported, because ways and means may yet be found to make it effective in the establishment of peace. I believe all units of the British Empire want peace, but the unrest in Europe and Asia, to say the least, is disturbing.

It has been said, and I agree, that the only real and permanent defence is good-will among the nations, and this is an ideal towards which all nations should strive. Unfortunately, however, good-will among a number of nations sufficient to ensure peace does not exist today. We must recognize this fact, and act accordingly.

Speaking of the necessity for rearmament, the Prime Minister of Great Britain made this statement to parliament:

German rearmament has been proceeding throughout the year at a steady but rapid rate. As to the fact of the rearmament there is no concealment, and it has been referred to with satisfaction in the statements of German public men; but regarding the details there is still a great deal of secrecy. In March last conscription on the basis of one-year service was universally reestablished; and the government announced a peace-time army establishment of 36 divisions with a strength of 550,000 men. The German Chancellor informed Sir John Simon last March that Germany was aiming at air parity between Great Britain, France and Germany provided that the development of the Soviet air force was not such that revision of these figures would become necessary. What has since occurred indicates a continuous development of the German air force. The naval agreement reached with the German government on the 18th June, 1935, is in a different category inasmuch as it limits the expansion of the German navy to a definite proportion of the strength of British naval force. Nevertheless, the new German navy, even within this limitation, is an addition to the armaments of the world which cannot be left out of account.

In France two-year service was reintroduced in the spring of last year. The French air force is in process of an important reorganization and reequipment. The barrier fortresses on the northeastern frontier are being extended at great cost to cover also the northern departments. Special borrowing powers have been obtained to meet specific items of defence expenditure.

In Belgium the army expenditure shows a heavy increase and the fortresses on the eastern frontier are being rapidly strengthened and brought up to date.

The Italian army has been for the past six months on a war footing. In October last it was stated that 1,200,000 men were under arms, and further recruits have been called up since that date. The Italian air force is being rapidly and completely reequipped and is also being enlarged.

The Soviet forces, according to the latest official figures given by a Soviet minister on the 15th January last, have now been increased to a total of 1,300,000 men. A further increase in the Soviet air force is already in progress.

In Japan the reequipment of the army continues to be pressed forward in accordance with a comprehensive program, and greater sums than ever before are appropriated in the budget for 1936-37 for the naval and military services combined. Already in 1935-36 the army and navy accounted for forty-six per cent of the total budgetary expenditure, while the deficit on the budget was £45 million.

In the United States the total annual expenditure on defence from revenue and loans combined has risen from £108 million in 1933-34 to £180 million in 1935-36. These figures include no provision for non-effective charges (e.g., pensions), which in the case of British estimates for 1935 represented no less than £18 million out of the total of £124 million.

In view of the extensive rearmament of powerful nations throughout the world, the British Empire must be in a position to defend its people, its territory, its trade routes and lines of communication. I would point out, however, that Great Britain must be careful of European entanglements, because while I feel certain the Canadian people are prepared to help defend the British Empire, they are not prepared to enter into a war of aggression or a war in any part of the world which does not vitally concern the well-being of the English speaking units of the empire. I would point out further that old methods of financing the building of armaments, and of conducting war, must be abolished. The people of Canada will not stand much longer the steady pyramiding of debts under the present system, which have as their direct result chaotic conditions in our economic life.

In this connection may I read a statement made by Neville Chamberlain, Chancellor of the Exchequer, as it was delivered at Birmingham on January 29. The news item is headed with the words "Living Standards are Endangered by Rearmament Plans," and is in the following terms:

> Neville Chamberlain, Chancellor of the Exchequer, declared to-day, "If something is not done" to reduce "the terrible burden of armaments it is bound to pull down the standard of living for a generation to come."
>
> Chamberlain referred in a public address to the "incredible folly of a civilization which is piling up these terrible burdens on the shoulders of the nation."
>
> "We are embarking on by far the largest program for defence ever undertaken by this country in peace times" he said. "It is involving us in the expenditure of hundreds of millions of pounds upon munitions and weapons which produce no economic return and which indeed have the inevitable effect of diverting our industries from more desirable activities. I believe that course was absolutely essential. We had no choice in the matter."

The government must finance defence without creating enormous debt burdens to be placed on generations to come. The Prime Minister (Mr. Mackenzie King) has said the Liberal party stands for the issuing of currency and credit in terms of the public need. We are of opinion that the country is in need of defence. Let us issue the credit necessary for the purpose without borrowing, and take steps to prevent profiteering on the manufacture of defence equipment. By taking the profit out of war we will be on the road to peace.

Mr. F. D. MacKENZIE (Neepawa): Mr. Speaker, as very often happens when a question is before this house, after several members have taken part in the debate there is very little to be said. It is not my intention to try to bring anything new into the discussion, but rather to emphasize and stress an idea already put forward.

In my opinion the first and third parts of the resolution have received more consideration than they deserve. The Prime Minister (Mr. Mackenzie King) I think disposed of these completely. The second part of the resolution contains the germ of an idea which has some merit of a very practical kind. However, the wording of the resolution is too all-embracing, so much so that it defeats its own purpose. I think the resolution should read something like this:

> That, in the opinion of this house, legislation should be placed on the statute books of Canada ensuring that on the outbreak of war, in which Canada was engaged, Canadian citizens should not profiteer at the expense of their country.

Perhaps it could read something like this:

> That legislation should be enacted committing the country to the principle that should Canada ever be called upon to fight, either in defence of her frontiers or for other reasons, all the resources of the country such as men, money and material should be mobilized in a national scheme.

It could be put shortly as follows:

> If and when Canada goes to war, all the country's resources shall be nationalized.

In my opinion a resolution in the terms of the last one I have read would merit support.

When we returned to Canada from the last war there was a general feeling among the boys whom I knew that the conscription of wealth and labour, as well as of men for fighting, should be the basis of any arrangement for Canada entering another war. This opinion has become more general; as time has gone on I have found that more people support it. It is supported also by editorials in the press. From my own observations I have come to believe that the view is now very widely held that if Canada is forced into another war or undertakes another war, there must be a conscription of men and money.

This opinion is being expressed not only on the streets, in the clubs, and in the editorial columns of our newspapers, but by organizations of various kinds. Resolutions in support of this principle have been passed by organizations of province-wide strength. I hold in my hand a copy of a resolution passed by such an organization. I refer to the United Farmers of Manitoba, an organization which has always stood for sane, progressive and forward policies and which has

always shown a careful, intelligent and conscientious leadership. This is no wild, irresponsible group of radical agriculturists; it is a body made up of men possessing keen minds and sound judgment. And generally speaking they are all peace loving men. On November 27, 28 and 29 a provincial conference of this organization was held at Neepawa. I should like to quote briefly from a resolution adopted at that meeting dealing with this very matter. The debate thereon was very interesting and in my opinion compared quite favourably with the debate we have just listened to on this resolution. I listened to men whose voices in years past had been heard and heard with effect right here in this chamber. Two findings of more than ordinary importance were agreed upon and embodied in a resolution. Right here may I say that the government might very well note the support in this resolution for their defence program, an implied support offered prior to the announced government program and anticipating some such program of defence. May I quote briefly:

> Whereas under the changed conditions as regards world peace, many people expect the Canadian government to enter upon a new and extended defence program, and
>
> Whereas, in our opinion, one of the vital elements in any defence policy should be the maintenance and extension of the spirit of peace,
>
> Therefore, be it resolved that we urge upon the government that if any defence budget is adopted, a reasonable and definite proportion of the total sum be devoted to promoting the peace spirit among our people and to giving the peoples of the world to know that in the hearts of our people there is a deep, intense and universal desire to live at peace with them all.

The resolution goes on to show how this plan might be put into operation, but I shall not take up the time of the house with the details. It continues:

> That in the undertaking of any preparations for the possible contingency of war (1) the government take steps to commit the nation to the principle that immediately upon the declaration of war, financial control of all industry shall be assumed by the government so that profiteering of every kind, out of war conditions and services, shall be rendered impossible and that all wealth shall be conserved and applied to the national purpose of maintenance of the population and the realization of the nation's war objective.

I commend this next clause to the attention of the Minister of National Defence. It reads:

> That the working out of plans for such mobilization of economic resources be made a part of any defence policy upon which the nation may enter.

I think hon. members will agree with me that the resolution I have quoted needs little elucidation. When one reads it carefully and follows out all its implications, can there be any doubt that here is possibly the greatest assurance of peace obtainable anywhere? It may be nationalization, yes, but only after a declaration of war and only after the ground has been prepared well ahead of time. There will have to be nationalization in some form or other should Canada enter another war. If legislation to this effect is placed upon our statute books so that all may know that the next war will not mean fat profits, that it will mean nationalization, the mobilization of all the men and resources for the country's fight, I ask you if we are likely to have another war in which Canada is concerned.

When we refer to the munitions maker I think we have in mind anyone who makes a profit out of war. Will the munitions maker want war when he knows that this plan has been put in effect? Will he want war when he knows that the government in case of war will immediately step in and take over control of all the production of the state? Think of this in all its implications. I want to leave this question with you.

How practicable is this resolution? Having seen something of war operations in more than one theatre, I know the tremendous problem of organization involved. The problem would not be increased, but rather would be lessened by preparation ahead of time. I realize that there are difficulties in the way of obtaining goods and services when the profit motive is removed; it might be said that we would be crippling our own cause as other nations would not do likewise, but I answer that by saying: If you have considered all the implications of the scheme and their consequences you will see, as I see, that this applies only after we are at war—at war under a national scheme—and if there is a firing squad for cowardice, for slacking or other mistakes on the fighting front, there would no doubt, under a scheme of nationalization, be the same arrangement for slackers on the home front, just as there is in Russia to-day.

I think the people should think of these things and be prepared for what is ahead if Canada enters another war. For myself I cannot conceive of the country ever entering another war on the free and easy basis on which we did the last. And when hon. members object to this scheme because it means nationalization in war, and would lead to a possible continuation of the same type of government after war, I would answer, quite

true; but what hope of a democratic form of government, what hope of anything but dictatorship or anarchy, or what hope of any kind would follow another world war?

I cannot, Mr. Speaker, support the resolution as it stands on the order paper.

Mr. J. A. MARSHALL (Camrose): I had not intended, Mr. Speaker, to take part in this debate, for one reason. At the first session of the present parliament there was introduced for discussion by the hon. member for Weyburn (Mr. Douglas), a resolution which in many respects is similar to the one we are now discussing. For example, it stated "that, unless and until, there is a sincere acceptance and application of the above"—referring to certain principles therein stated—"by the member-nations of the league, Canada will refuse to participate in any foreign war no matter who the belligerents may be." On that occasion I spoke briefly to the resolution and outlined the studied opinion of the social credit group on war. This year the resolution which is sponsored by the hon. member for Winnipeg North Centre (Mr. Woodsworth) goes further, in my opinion; it has been broadened to include such matters as war profiteering and government plans to remove causes of war. I should, however, like to read from what the hon. member for Winnipeg North Centre said last year in the debate on the resolution of the hon. member for Weyburn, to which I have already referred. It is found at page 675 of Hansard, and is as follows:

> We come to the policies of our country, and as yet, unfortunately in my judgment, this country, like a good many other countries is still relying more or less upon armaments as a last resort. I suggest that an isolationist position cannot be successfully maintained in the world to-day. Things may come to such a pass, if we are about to be dragged into a war and there may be no other policy open to us. We may be forced to adopt an isolationist policy and refuse to be dragged in. But it should be remembered that to-day the world is becoming more or less integrated industrially, financially and socially. We cannot stay out by ourselves. As long as we are in the world neighbourhood we have to deal with the people whom we meet in that neighbourhood. So we ought to recognize that the League of Nations, in so far as it is an association of nations seeking to promote peace, ought to be supported.

In my opinion this does not conform strictly to the first section of the present resolution. It is quite possible that I have missed the purport of the hon. member's remarks on that occasion, or indeed may have misconstrued them; if I have, I know he will put me right and I shall be glad to have him do so.

[Mr. F. D. Mackenzie.]

Some days ago the Prime Minister (Mr. Mackenzie King) outlined definitely and concisely the Liberal viewpoint of the world situation as it now presents itself to us and as it affects Canada. I think I am safe in saying that it was not an imperialistic viewpoint. He was followed by one of the younger members of the Conservative party, who spoke definitely in favour of imperialism, and I think he was speaking on behalf of the whole of his party. The leader of the Cooperative Commonwealth Federation group placed upon Hansard the complete manifesto of his party upon the subject. To me has been given the task of outlining what we of the Social Credit party sincerely believe are the causes of war and how such a calamity can not only be avoided but forever wiped out. Before doing this, however, I should like to make one or two general remarks.

The thing which concerns me most at the moment is not whether I am an isolationist or an imperialist, but what we should do now, when every nation is rearming feverishly. I must confess that I lean towards Canada taking some action now, although my whole being cries out against rearmament. I sometimes say to myself when thinking of the situation: What would you do, if you were leader in this Dominion of Canada, should the United States and Japan make up their minds some morning to shoot it out on the Pacific, or if one of these nations established or attempted to establish a base somewhere in Canada from which to carry on its operations? It is imperative that we face the facts now and make a decision on this difficult position.

In this resolution we are asked to lend our support to the taking of profits out of war. As the Prime Minister has said, if we eliminate profits from guns and ammunition and tanks we must also eliminate profits from horses and cattle, grain and foodstuffs. That would mean the socialization of industry, and I am afraid I cannot go that far. However, I will say this. I will support whole-heartedly any movement or any organization which pledges itself to smash munition rings and the international financiers who stand behind those rings.

Then we come to the last section. The Prime Minister said it should have come first. I agree with him entirely, but I would go further and say it should come first, last and all the time. We call the fire engine to put out a fire, but when the danger is over we plan how to prevent fires in the future. The League of Nations did the best it could, but we must see to it that a new league shall try out new schemes and new plans. If we

persist in following the old ideas of bygone days we shall always have trouble. We must develop the courage to try new methods even though we may be prejudiced against them.

High tariffs and economic nationalism have been advanced as reasons for international friction. I do not agree. Tariffs are simply herrings drawn across the trail to deceive; and as for economic nationalism, I cannot see what is wrong with any nation aiming to develop itself internally to such a degree that its citizens may have all the food they want, all the clothes they want to wear and the finest homes they can possibly build to live in. That is what my understanding of economic nationalism is, and until a better definition of the term is forthcoming that definition is good enough for me. I believe I can bring many eminent authorities to substantiate the statement that commercial and industrial rivalry are entirely responsible for the jealousy and hatred amongst nations to-day.

It is surprising that on many occasions I find myself heartily in accord with the Prime Minister, but there is the odd occasion when we part company. Speaking the other day he said that if ever war should have to be declared parliament would decide. Well, Mr. Speaker, as a member of this house I certainly do not crave or yearn for the responsibility; in fact I am not so sure that is the right course to adopt. Most of us at present sitting in this House of Commons and in the Senate as well have reached the stage in life when it would be exceedingly difficult for us to man a machine gun, to take up a bomber laden with deadly disease or gas bombs, or perhaps to take our turn in a trench or in a dugout. Yet in our hands lies the power to send some other mother's son to do the job for us. We have not yet by any means paid for the last war; we have not given economic security to those to whom such security was promised. We are at our wit's end to know what to do with the returned soldier problem. The Minister of Pensions is doing his very best, but the new problems that are constantly confronting him are in my judgment almost insurmountable. He, of all ministers in the cabinet, is deserving of much sympathy. Those who would have to suffer, and if need be die; those who have to bear the terrible burden and the costs of another war, should surely have something to say as to whether war should or should not be declared. In my judgment we should refer the matter to the people for their decision by means of a referendum. It can be done; it simply must be done.

And now may I read the statement which I mentioned a few moments ago as outlining the policy of the Social Credit party:

> Because we recognize that war is one of the inevitable consequences of the present monetary system brought about to a very large degree by the struggle for markets to establish favourable trade balances, and because we realize that until the nations of the world are prepared to depart from traditional monetary methods and substitute a money system based upon the productive capacity of the nations, we believe there can be little hope for lasting peace. We also believe that the greatest success in eliminating war may be achieved by the proper adjustment of consumption in relation to production and this, we believe, can most readily be brought about by the adoption of the basic principles of Social Credit.
>
> We believe that the nations of the world must be prepared to bring into operation systems based upon human values rather than material values so as to satisfy the requirements of their people to the full capacity of industry to produce and deliver goods and services.
>
> Having these objects in view we, therefore, propose to strive for their attainment which we believe will bring about among the nations:
>
> (1) The reduction of armaments;
>
> (2) The reduction of armies and navies;
>
> (3) The training of youth in other than war-like channels;
>
> (4) The discouragement of all activities having war-like tendencies;
>
> (5) The elimination of artificial trade barriers.

You may disagree entirely with our viewpoint; that is only to be expected. Nevertheless, I assure you, Mr. Speaker, that we are sincere when we say that only by these methods will war and its hellish horrors ever be obliterated.

Hon. ERNEST LAPOINTE (Minister of Justice): Mr. Speaker, the resolution introduced by the hon. member for Winnipeg North Centre (Mr. Woodsworth) is indeed a very important one, and although it is impossible for me to support it I am pleased to say that it serves a good purpose in bringing to the attention of the country conditions as they are in the world to-day.

My hon. friend has painted a picture of war which certainly is not overdrawn; he could have said a good deal more about it. Another world war under present conditions would result necessarily in a cataclysm which might be the end of civilization. Many thinkers believe that another world war would bring about revolution, and that is one of the chief reasons why the leaders of the world, in spite of difficulties they have to meet, are I think opposed to war and will try to avoid it. It is all very well to speak of neutrality, but scientific developments have bound all the nations of the world together in such a way that the fate of every one

of them depends largely on the fate of the others. That is why it is essential that they should unite in order to prevent war and the consequences which would necessarily follow.

The best way to avoid our being involved in a war is to do our utmost to prevent it. The best way not to be involved in a war is to take steps to ensure that there shall be no war. And the statesmen of the world, to whatever country they belong, who may be in any way responsible for the prevention of the catastrophe of war will deserve well not only of their own fellow countrymen but of the citizens of other countries, even if they make mistakes in other policies. I do not yield to my hon. friend in my hatred of war. I hate war in every fibre of my being. I will do anything to try to prevent Canada being involved in a war. But peace is two-sided. As a world statesman, the present premier of France, Léon Blum, said recently, peace must be general because war would be general.

The main fault I find with the resolution of my hon. friend is that it is not at all constructive; indeed, to my mind it is destructive. Has my hon. friend realized that if his resolution were adopted by this parliament, Canada would be out of the League of Nations? My hon. friend and some of those who agree with him profess loyalty to the league, at least they give it lip service. But if this resolution were carried we should advertise to the world that we would not do anything in regard to observance of the pledges which this country has given to the sister members of the League of Nations. To article X, to article XVI of the covenant of the league, we are pledged. It is true that parliament would decide to what extent we should help a fellow member of the league if attacked by an aggressor. But reserving the right to judge as to the extent of our participation in the defence of that member is not neutrality, nor does it mean that in economic or diplomatic matters we would not side with the victim of the aggression rather than with the aggressor.

Mr. WOODSWORTH: May I ask—

Mr. LAPOINTE (Quebec East): I would crave my hon. friend's indulgence to allow me to proceed without interruption.

There is no doubt that this resolution if carried would mean the withdrawal of Canada from the League of Nations. Thus we should be left with no connection with any organization through which we could work with the other nations of the world for the establishment of international peace. Yet my hon. friend says he is in favour of the League of Nations. They all say that. But in what way would he support the League of Nations? I agree that the League of Nations is not as effective as I would like it to be, not as effective as it was meant to be. But I will not admit that it has failed, as many hon. members including, I think, the right hon. leader of the opposition (Mr. Bennett), have said. Some nations have failed the league; my hon. friend is failing the league in introducing this resolution. But the League of Nations has not failed. When the league was created after the war there was behind it a strong wave of public sentiment. It answered a psychological need, a state of mind that existed everywhere after the war. The people of the world were eager for peace; they were craving peace; they had a passionate desire for peace. It is a state of mind which perhaps does not exist to-day, but this sentimental and mystic feeling still prevails. There is need that a prophet should arise somewhere to rekindle the flame. But the league is not dead.

I say more than that. If there were another war, from that terrible cataclysm the League of Nations would arise again and be revivified. It would emerge with some changes, perhaps; but surely the movement towards international order in the civilized world will not stop; it will go on. The only question is whether new blood may be necessary in order that the league may be more solidly entrenched in the world. After all, the League of Nations is only twenty years old, and it has to fight a condition that has existed for thousands of years. It has to replace with brotherly love and friendship the ferocious attitude which exists in many quarters of the world. This is a difficult work, but everyone should assist in it instead of trying to find reasons for criticism and blaming the league for not having done more than it has been able to do. And who can say that the league has not prevented wars? Conditions have been terribly difficult during the few years which have elapsed since the end of the war. War has loomed up many times, and the league has been successful in doing something. If it has not been successful in some instances, particularly in two glaring ones, does this fact take away every credit the league may have in regard to other instances with which my hon. friend is well acquainted? In that respect may I quote the words of the present Minister of Foreign Affairs of France, uttered only a few weeks ago. This is what Mr. Yvon Delbos said:

> Doubtless, also, some who pretent to be realists set up the concept of peace imposed by the single law of force against the ideal of peace through justice, the failure of which they proclaim. But are not they themselves

the creators of the impotence which they denounce? In fact, the family of nations is weak only so far as they weaken it. Moreover, it is less feeble than they claim and than they desire. As for the concept which they set up against it, this has been tried out only too thoroughly. All history proves to us that the reign of force has never resulted in anything but bloody conflicts. And how can one claim that war is avoided by multiplying the sinews of war and the temptations to recur to it while refusing procedures which tend to avoid it; that the security of the weak is guaranteed by placing no restraint on abuses by the strong; that harmony among the peoples is to be accomplished by preventing them from organizing; that a champion of order is one who does not admit any international law? Such an attitude bears its own condemnation. But the risks of war which it creates and the obstacles which it opposes to peace-loving nations unfortunately retard the necessary organization.

That is no reason to renounce the ideal. On the contrary, redoubled efforts are necessary.

I associate myself with those words, and I commend them to the consideration of hon. members.

Occosionally there is some talk of the cost of the League of Nations. Well, Mr. Speaker, the whole cost of the League of Nations, the world court and the international labour office amounts to $9,500,000, which is less than the cost of a single first-class cruiser such as those which are being constructed by many at the present time.

I am not like my hon. friend, who believes in having force behind the League of Nations. I do not think war should be avoided by means of war.

Mr. WOODSWORTH: I ask the minister not to put into my mouth what I did not say.

Mr. LAPOINTE (Quebec East): I do not want to put anything into my hon. friend's mouth; there is plenty in it already. I was of opinion that my hon. friend had most openly expressed himself in the way I described, but I accept his statement. I say I am opposed to force being exercised by the League of Nations, but I believe we should help the victim against the aggressor, economically, diplomatically or otherwise. I refuse to agree that we should treat the gangster, international or otherwise, just as we treat his victim, the one who is struck by him.

The weakness of the league, if weakness exists, is due to the anarchy which prevails in the world at the present time much more than to any defect in the structure of the league. Of course the extremists, whether they are militarists or pacifists, speak against the league; all those on the extreme side usually denounce the league. But that is the very reason why we who claim to be moderate should support it as strongly as we can.

There are contradictions in my hon. friend's position, as I think he will admit. For instance, he says he is not an isolationist. How does he reconcile that statement with the terms of his resolution? If this motion is adopted, we go out entirely from the concert of nations, and mind you, Mr. Speaker, it is not only to the League of Nations that we as a country have given pledges. When we signed the Pact of Paris we pledged ourselves to consider as a criminal any nation which would try to effect the settlement of an international conflict by means of war or which would accept war as a national policy in solving disputes. In that Pact of Paris which we signed, and which was accepted here unanimously, we declared that any nation taking that position would be an enemy of Canada. That is what is really stated in the Pact of Paris, but my hon. friend brushes that aside together with the pact of the League of Nations.

I will ask my hon. friend further: Has he seriously considered what a declaration of absolute neutrality, as embodied in his resolution, would mean? Has he considered that, according to all constitutional writers, this would mean the secession of Canada from the commonwealth of nations? I do not think my hon. friend wants to go that far. There is all the difference in the world between neutrality, and participation or non-participation, which we shall be always free to declare, in the event of any war. The parliament of Canada will be always free to say whether or not we shall participate in any war. But neutrality is quite different. In the constitutional position of Canada to-day neutrality would mean that an enemy of our king could be a friend of Canada; that we could trade with him during a war in which the king might be engaged; that to nations with which the king might be at war we could send ordinary material, anything that a neutral nation could sell to countries actively engaged in war.

This question as to the right of the dominions to be strictly neutral is one of the questions yet to be solved, and it will not be solved in the way suggested by my hon. friend. My hon. friend referred to South Africa and said that Canada should do as South Africa has done in that regard. I have before me the debates of the South African parliament for 1934 when the constitutional

act of that country was discussed. At page 1939 I find these words, which were uttered by the Minister of the Interior, who was in charge of the bill:

If South Africa has not got the right of neutrality it can still do three things. It can decide to participate actively in the war. Or it can still be passively belligerent. And the third thing that may happen, it may want to go further, or it is possible that the hostile power may not be content with its passivity, and then South Africa, as the master of its own destiny, can, in the last resort, exercise its power of secession. I am not talking about the right of secession, but it can break away and thus assume that right of neutrality. We say, then, that whatever line we follow, whether we have the right of neutrality or not we find ourselves in exactly the same position. Any one of these things can happen and the ultimate result is the same. The only difference is that in the one case you have a revolution. That is to say that if we exercise the power of secession without the right of secession, it means revolution, but apart from that, the result is the same. So I return to the point I make, and that is, that in practice this question is an academic question on which we may have a difference of view.

Then may I particularly direct the attention of the house to a statement made by the Minister of Justice, General Smuts, who is well known throughout the British commonwealth of nations, and who has always fought for South African autonomy. This statement appears at page 2080:

To my mind these things, secession, neutrality and the like are impracticable and academic. I do not believe that anything we can say in a constitution will settle our attitude or influence it when we come to the day of secession or to the day to declare our neutrality. These events, if ever they come to pass, would shake the whole British Empire and perhaps the whole world to its foundations. It is futile. You may talk about these things in a debating way if you are a debating society, but men who have been through the ordeals we have been through attach no importance to formulae of words. Consider, for example, the position of the United States of America during the war. The United States did her utmost to keep out of the Great war. She fought a presidential election during the war to keep out of it, and everybody was pledged to the full to keep out of the war; but in spite of all in a couple of months she was in the war. She could not maintain her neutrality. Whether it is neutrality or secession or any of these things they will be decided, not by legal documents or the phraseology of a bill like this—

I might add—or a resolution like that of my hon. friend.

—but by the ordeal of facts, of great events which might shake not only this country, but even the world to its foundations. But sufficient unto the day is the evil thereof. Wise men leave these things alone.

I commend that to my hon. friend. I have not time to read all the quotations I have before me, but I would direct the attention of my hon. friend and of the house to a very valuable work. The Present Juridical Status of the British Dominions in International Law, written by Mr. Baker, who is a jurist of repute in Britain and who some time ago was elected as a labour member of the British parliament. Mr. Baker has a whole chapter devoted to this subject, headed The Problem of "Automatic Belligerency" and the Effect of the Covenant of the League of Nations, in which he takes exactly the view I have tried to submit to the house, and in which he quotes Pearce Higgins, Duncan Hall, Smith and Corbett, who are Canadian constitutional authors, as well as McNair, Keith and various other authors. He concludes with these words:

As Keith has said of the application of the covenant to inter-commonwealth relations, "the truth is....that the matter could not be thought out in advance," and in consequence it "presents a problem which time and usage alone can solve."

Mr. Baker states there what I have been saying, that there is all the difference between neutrality and passive belligerency; that participation in any war will be a matter strictly for the parliament of each dominion to decide, and that this decision will be taken in the light of the circumstances as they exist at the time.

May I conclude this phase of the discussion by quoting what my old leader, Sir Wilfrid Laurier, stated in regard to this matter:

Whilst I cannot admit that Canada should take part in all the wars of Great Britain, neither am I prepared to say that she should not take part in any war at all. I am prepared to look upon each case upon its merits as it arises....I claim for Canada this, that in future Canada shall be at liberty to act or not to act, to interfere or not to interfere, to do just as she pleases, and that she shall reserve to herself the right to judge whether or not there is cause for her to act.

History has shown that when a war breaks out, matters of this kind are not decided by whatever resolutions or even laws have been placed upon the statute books. They are decided in the light of conditions as they exist and, unfortunately by the feelings that are aroused when the time comes and hostilities begin. But that is human nature. It would be futile to place a resolution of this kind in the records of parliament. Parliament cannot bind its successors on this or on any other question. A resolution of this parliament would not bind the parliament which would be at the head of affairs when trouble came to Canada. By no means could future parliaments be bound by an act or by words of this parliament. I say that elementary prudence requires us to preserve our liberty, our freedom and our independence of judgment for the time when the occasion arises.

Let me tell my hon. friend that neutrality does not mean doing away with the necessity of armaments. The United States have proclaimed their desire for neutrality—they have passed no resolution of this kind—but they are increasing their armaments to a degree greater than has been seen by any American. Just a few weeks ago the King of Belgium made a statement to the world which aroused great interest. He proclaimed the neutrality of Belgium and stated that it was absolutely without any commitments to any other country. But he said that in order to assure that neutrality, Belgium would have to increase her armaments. He asked the Belgian nation to support the government in its policy of increased armaments. Increased armaments and neutrality go together. May I translate one or two sentences from his speech?

Unless she possesses herself of a system of defence capable of resisting, Belgium will see herself from the outset invaded and massacred. That is why we must, as the Minister of Foreign Affairs has stated recently, pursue a policy completely Belgian. This policy looks to our being placed outside the conflicts of our neighbours, it insures our national ideals, but it must be sustained by a military and financial effort. This will bring about the unity of Belgium and animate her people with an intense and primordial desire for peace.

Switzerland is perhaps the classical example of a neutral country, but I do not think my hon. friend would like to see Canada militarized to the extent of Switzerland. The Minister of Labour (Mr. Rogers) was telling me that when he was at the League of Nations there were posters on nearly every wall in Geneva asking the people of Switzerland to subscribe to a national loan for armaments. When my hon. friend uses opposition to armaments as an argument in support of a resolution declaring neutrality, I think he is entirely wrong. Experience has shown that those countries which are stated, by law or otherwise, to be neutral, are compelled to have many armaments in order to protect themselves and their neutrality. The hon. member for Winnipeg North (Mr. Heaps) wanted us to ask President Roosevelt to convene a world conference on peace. Everyone knows that the president is an apostle of peace and is working for peace. Does he think that is sufficient to warrant a policy of no protection at all for the United States? I have in my hands the New York Times of Saturday, August 15, 1936, which contains the full text of a speech on international affairs delivered by President Roosevelt at Chautauqua. This speech has been read by many people in Canada. The president said:

We are not isolationists except in so far as we seek to isolate ourselves completely from war. Yet we must remember that so long as war exists on earth there will be some danger that even the nation which most ardently desires peace may be drawn into war.

I have seen war. I have seen war on land and sea. I have seen blood running from the wounded. I have seen men coughing out their gassed lungs. I have seen the dead in the mud. I have seen cities destroyed. I have seen two hundred limping, exhausted men come out of line—the survivors of a regiment of one thousand that went forward forty-eight hours before. I have seen children starving. I have seen the agony of mothers and wives. I hate war.

I have passed unnumbered hours, I shall pass unnumbered hours, thinking and planning how war may be kept from this nation.

I wish I could keep war from all nations, but that is beyond my power. I can at least make certain that no act of the United States helps to produce or to promote war. I can at least make clear that the conscience of America revolts against war and that any nation which provokes war forfeits the sympathy of the people of the United States.

Many causes produce war. There are ancient hatreds, turbulent frontiers, the "legacy of old forgotten, far off things, and battles long ago." There are new-born fanaticisms, convictions on the part of certain peoples that they have become the unique depositories of ultimate truth and right.

A dark old world was devastated by wars between conflicting religions. A dark, modern world faces wars between conflicting economic and political fanaticisms in which are intertwined race ratreds. To bring it home, it is as if within the territorial limits of the United States, forty-eight nations with forty-eight forms of government, forty-eight customs barriers, forty-eight languages and forty-eight eternal and different verities, were spending their time and their substance in a frenzy of effort to make themselves strong enough to conquer their neighbours or strong enough to defend themselves against their neighbours.

Further on, he says:

In spite of every possible forethought, international relations involve of necessity a vast unchartered area. In that area safe sailing will depend on the knowledge and the experience and the wisdom of those who direct our foreign policy. Peace will depend on their day to day decisions.

At this late date, with the wisdom which is so easy after the event and so difficult before the event, we find it possible to trace the tragic series of small decisions which led Europe into the great war in 1914 and eventually engulfed us and many other nations.

We can keep out of war if those who watch and decide have a sufficiently detailed understanding of international affairs to make certain that the small decisions of each day do not lead toward war, and if, at the same time, they possess the courage to say "no" to those who selfishly or unwisely would let us go to war.

Of all the nations of the world to-day we are in many ways most singularly blessed. Our closest neighbours are good neighbours. If there are remoter nations that wish us not good but ill, they know that we are strong; they know that we can and will defend ourselves and defend our neighbourhood.

We seek to dominate no other nation. We ask no territorial expansion. We oppose imperialism. We desire reduction in world armaments.

We believe in democracy; we believe in freedom; we believe in peace. We offer to every nation of the world the handclasp of the good neighbour. Let those who wish our friendship look us in the eye and take our hand.

I think those words of President Roosevelt could be reechoed by us and certainly represent the feelings of most Canadians. We are in a splendid position geographically, and we thank God for it. But perhaps we are over enthusiastic if we suppose that other countries are not thinking of Canada and its resources. The other day, while in the library reading some books on this question, I put my hand on a publication, "The Future of the League of Nations," which is a record of a series of discussions held at Chatham House during 1936. In attendance there were some of the best known British thinkers, including Sir Norman Angell, Lord Arnold, Sir James Barrett, Hon. R. H. Brand, Lord Howard, the Marquis of Lothian and other distinguished men. Even our friend H. G. Wells was one of the conferees, also Sir Arthur Salter and many other men who are well known to members of this house. This is what one of the main participants in the conference, Doctor Toynbee, said at page 120:

I think the Italian case—

He was discussing the Italo-Ethiopian conflict.

—shows the strength of the universal scheme. It seems to me that what really sent the Italians to fight Abyssinia was two things done by North American countries. The first was in 1927 when the Italians raised the point of access to raw materials and the Canadian delegate stamped on it; and the second was the passing of the two American Immigration Acts of 1921 and 1924 which produced this mass of baulked young men in Italy who had to be turned to something good or bad.

So it is obvious that the problem of the natural resources in which some countries are lacking, and which constitute the great wealth of this country, is far from being solved, and that Canada's resources are certainly coveted by many interests elsewhere. President Roosevelt, in the speech from which I have quoted, spoke of world conditions and the nature of the new conflicts that are raging in the world. To-day there are groups organized and ready to fight and die for an abstract creed. These are no longer wars of trade and frontiers; such groups are fighting for abstract ideas. My hon. friend mentioned two countries not by their names but by the names of their leaders, Hitler and Mussolini. I wish he had mentioned Russia as well. They are all fighting freedom and democracy, and we must include them all in our abhorrence of the creeds which they try to preach and spread throughout the world. In this connection may I say to an organization from which I receive occasional resolutions and other communications and which calls itself the League against War and Fascism, that I should be inclined to consider its resolutions and communications with more sympathy if it would add to its name and activities so as to make it read, the league against war and fascism "and communism," which it refrains from doing.

An hon. MEMBER: And deliberately.

Mr. LAPOINTE (Quebec East): And deliberately? I do not know. One of my hon. friends says so. But as far as we in Canada are concerned we are for our free institutions and we defend them, and if a big war in Europe is occasioned by a conflict between these two creeds or doctrines, Canada should not spend one cent or one life in support of either of them. Possibly it is unfortunate that some Canadians are taking sides in the conflict which is going on over there to-day. We should remain loyal to Canadian ideals. Totalitarian states, absolutism, dictatorships, the prevention of people speaking their own minds on pain of being sent to some island or concentration camp—to all these things whether they come from the right or the left, we in Canada are opposed; they are bad for us Canadians; I do not see why anybody should fight in support of either side in such a conflict, and we shall not.

But we must be able to defend our citizens against the madness of some present day rulers. If international chiefs or gangsters ever come to assail us in a mad impulse—because the world is mad at the present time—we cannot meet them with a declaration of neutrality. That will not do at all. In that regard, as my hon. friend often talks of South Africa, may I read one article in the platform of the nationalist party in South Africa, that is, the extreme party for South African autonomy. I find it in the Journal of the Parliaments of the Empire, where there is a report of the debate on May 22 last, and the leader of the nationalist party said:

In connection with the status of South Africa, the Prime Minister and other members of the government had said, over and over again that they were on a footing of closest cooperation with the British defence force. They stood for the maintenance of that connection and therefore differed in nothing from Colonel Stallard and his party.

The Nationalist party, in its program of principles, acknowledged "the duty of the government to provide an efficient system of

land defence, both on land and sea, and in the air, for the protection of the country and its interests and consistent with our national independence."

I said that if on a mad impulse, in the course of a war, some of these people should come and try to injure Canada in any way, it would be our duty to defend ourselves. But there must be some preparation for that defence. When a house is burning it is too late to organize a fire brigade; that must be done before the fire occurs. When a flood is in progress it is then too late to build a dam; the damage is done before this precaution has been resorted to. Similarly, if we believe—if we do not, I give up my case immediately—it is the duty of Canada to protect its own citizens against any possible emergency, then I do not think anybody could oppose what is an elementary necessity for such defence, and for such defence alone.

My hon. friend took it upon himself to make a sort of appeal to the French-Canadian members. May I tell him that possibly the French-Canadian members will not accept his leadership in this regard. I was a member of parliament during the great war and had some experience of what took place; I had experience of what occurred in my own province. In the fight against conscription, against compulsory military service, which was waged in Quebec, I said to all who took part in it—and this statement was everywhere emphasized—that everyone in that province was ready to do anything for the defence of Canada when the time came. And that statement still holds good. We are prepared to do anything for the defence of Canada. But I do not think our people would like to be involved in a war that might be waged between communism and fascism, because they hate both. They are prepared, however, to defend their own country, and in that respect my hon. friend will not succeed in his passionate appeal to them.

The other day I read this statement by the great American economist, Roger W. Babson:

> The Spanish revolution is only the first round in a world conflict which will last for a long time.

If this is true, and if Canada wishes to remain outside that conflict, we must see to it that we shall be able to defend the women and children of our country should these madmen, in a moment of insane impulse, try to attack us.

These are my last words. The duties of a public man are difficult but they must be discharged. If I believe that there is some possibility of danger—and everybody says there is—I will accept my responsibility. I will not trust to the impassioned speeches of the hon. member for Winnipeg North Centre or to the misrepresentations of any section of the press whether in my own province or elsewhere. I do my duty as my conscience bids me; I do my duty because I should not want to be accused at any time of not having done something to prevent the death of any Canadian woman or child. This is the position I take and by it I stand.

As to the last part of my hon. friend's resolution, let me assure him that Canada is anxious to do anything it can to prevent international conflict and to work for peace. We will do everything we can to throw Canada's influence into the scale on the side of peace, and we have always done so. May I refer to certain incidents. Take the Chanak affair; we refused to be bound to go to war because of some conflict in the far east. Take Locarno; we were asked to guarantee the eastern frontier of some countries and we refused to do that. We refused to be committed, and I regarded that as the proper course to adopt. We are not committed; we shall decide when the time comes whether we shall participate or not, and I trust that circumstances will justify Canada in remaining outside any conflict. But we want to reserve our freedom and our independence, as free men should, and not to be committed by any resolution such as my hon. friend has proposed.

Mr. H. E. BRUNELLE (Champlain) (Translation): Mr. Speaker, before the house is called upon to vote upon so important a question as that of Canada's neutrality in the event of war, I deem it my duty to express my opinion. I shall do so with the frankness and straightforwardness that the gravity of the situation demands.

The government, perhaps with good reason, seems to have deviated somewhat from the policy adhered to in recent years as regards armaments and national defence. This deviation is seen especially in an increase in the defence estimates. I must say, Mr. Speaker, that I have been taken rather unawares and that I have not been able to give to my remarks all the attention I should have liked. However, in view of the turn events have taken and of a body of opinion this is manifesting itself in many parts of the country, I feel that I should speak up without hesitation and, of course, without provocation, while fully respecting the opinions of those who entertain regarding our national situation views that differ from mine.

I agree with the hon. member for Grey-Bruce (Miss Macphail) that we should

cultivate a North American rather than a European mentality. It is hardly necessary to point out in detail the difference between these two mentalities. In most of the countries of Europe children, even on their mother's knees, constantly hear talk of war, of the enemy frontier, of hostile neighbours and their hated inhabitants. Later, at school, they learn how to make war, how to invade and attack some foreign nation. It is therefore not surprising that Europeans should be ready to sacrifice almost everything for armaments, for they have grown up in an atmosphere that we in this country hardly know. That is why, when war is seriously spoken of in Canada, a considerable part of the population becomes alarmed. Besides, we have been brought up in the hatred of war, of armaments and all their works. We have been told that many European nations make war in order to acquire territory, while we in Canada possess more territory than we can occupy and develop. Our public men and our leaders have taught us that competition in armaments was wrong or at least dangerous. Like many others who whisper what I shall say out loud, I have formed an opinion in accordance with that of the people among whom I live. In order to be logical and sincere, I must say that I am in favour of the first part of the resolution of the hon. member for Winnipeg North Centre (Mr. Woodsworth) in so far as he wishes Canada to declare its neutrality, but on condition that such neutrality be compatible with our obligations, our honour and our national protection. Indeed, as representatives of the people, we must protect our citizens; our duty requires it. On the other hand, it must be admitted that should the empire be attacked Canada, as part of the empire, would be exposed to attack, and if we simply say: we are neutral, we will not fight, the enemy will have but one answer, which will be to summon us to surrender.

On the question of Canada's neutrality and her armaments, I should like to form an honest opinion, based on realities as well as on prudence, and this is how I analyse the situation. First, what alternatives have we? Should we separate from the empire? If so, we would naturally become an absolutely independent nation, and as such we could rely only on ourselves for our defence. We would have to provide for our defence and do so alone. Would that cost us less than it does now? Would we be better protected? We are told that the United States would defend us, but if they spend millions of dollars and sacrifice the lives of their soldiers for us, they will naturally seek some compensation. Do we want to belong to the United States?

Secondly, do we want to remain in the empire? If so, can we remain in it by folding our arms in case of a war, even of defence? In the event of an attack against the empire and against us as part of the empire, can we simply not defend ourselves but call England or the rest of the empire to our aid?

Thirdly, can we afford to arm ourselves sufficiently to repel a serious attack? Are we sufficiently rich in men and money to do so? I say that we are not. A small nation whose population is concentrated in a limited area with a short boundary line can resist an enemy far more powerful that she is, but Canada is too large in area and too small in population to offer a serious defence in case of attack. I believe that Canada could not defend herself against most of the European nations taken individually. I go as far as to say that, under present conditions, any defence that Canada could offer against a serious attack would be almost futile.

However, I consider that considerations of prudence and foresight demand that Canada, as one of the nations of the world, should have some kind of an army, in the same way that every city needs a police force. We therefore need an army whose size and cost should be measured by the danger that threatens us and our ability to pay. My opinion is that we are not exposed to great danger, and it is a fact that the state of our finances does not permit us to undertake any expenditure that is not absolutely necessary. I therefore object to the provision of armaments to an extent not justified by any immediate danger and by the financial resources of the country. Above all, Mr. Speaker, I object to any participation by Canada in the armament race. The most distressing, disconcerting and discouraging part of it is the apparent approval given, through a combination of circumstances both visible and invisible, to Canada's entry in the race for armaments.

With such boundaries as the north pole, the Atlantic ocean, the Pacific ocean, and the United States, whose president recently declared: "Our boundary line is the link that unites us," I wonder against what enemies we should protect ourselves if not, perhaps with some reason, against domestic agitators or certain subversive elements already active in this country.

Lastly, I am opposed to anything that smacks of imperialism. If my opinion in this matter differs from that of the members of the party to which I belong, and which no

doubt is the best, there is no reason for astonishment, as I believe the Liberal party to be big and wide enough to include different opinions.

Mr. Speaker, with the reservations already mentioned, I agree with the principle of the first paragraph of the resolution now before this house:

> That under existing international relations, in the event of war, Canada should remain strictly neutral regardless of who the belligerents may be.

As to the second paragraph of the resolution of the hon. member for Winnipeg North Centre—his riding is like his resolutions, it extends in every direction—I cannot support this proposal which reads as follows:

> That at no time should Canadian citizens be permitted to make profits out of supplying war munitions or materials.

I fail to see why we should object to the manufacture of war munitions to be sold to an unjustly attacked nation. When a country attacks another unjustly, the country thus attacked is justified in defending itself and in looking for assistance. Since I do not agree with the resolution in its entirety, I have no other alternative but to vote against it as is customary. I felt that it was my duty to give these explanations before voting on the resolution.

When the National Defence estimates are brought down, I will follow the dictates of my conscience. I will take into account local requirements and certain menacing factors now prevailing in this country. For instance, I will bear in mind the significance of the recent uprising at Guelph, Ontario, which it is claimed is the result of subversive movements in our dominion. Recent occurrences in Quebec city will also be taken into account. I will recall the rather strange statement made recently by the hon. the premier of the province of Quebec at Trois-Rivières, which reads as follows:

> Speaking as Attorney General of this province, I affirm that communistic organizations distributed a short time ago money to the young men of the province of Quebec for the purpose of enrolling them in the Spanish communist armies, and they even supplied them with Canadian passports.

Again, I will not lose sight of the disturbing forces already mentioned that have been prevalent in other countries and which are now at work in Spain. I will take into account the extent to which Spain and other countries have suffered from the activities of these agitators, and I will not forget that we have in the province of Quebec similar principles and institutions to defend.

I will postpone to a later date the discussion on the possibility or likelihood of Canada being attacked. I may say that Norway and Holland have for many years followed an anti-armament policy, and both these countries found that, as a result, they were far better off. I submit that nations that have no armament program are less subject to aggression, as a country is often attacked as a result of armament. Approximately 50,000 human lives were sacrificed during the last war, exclusive of the huge expenditures that we had to meet and that still constitute a problem to-day. The consequences of the last war and our national defence program represent nearly two fifths of our budget estimates. This should be a lesson to us. In Canada, we should be chiefly concerned with the clearing of lands that are fit for cultivation; we should strive to develop our mines that are so rich and abundant. Unemployment is the worst enemy that we have to combat; we must wipe out our national debt by means of a sound and practical policy.

As a North American country, the first duty of Canada is to ensure peace and progress at home. Personally, like the rest of our population, I wish to convey the assurance of my loyalty to the crown but, I repeat, I am utterly opposed to any imperialistic tendency. I was taught to believe that I am not a mere colonial but that I belong to an independent, free and self-governing dominion. As a citizen of such a dominion, I am proud to say that I am a plain Canadian. It is as subjects of the British Empire that many of our people are led to take an interest in European affairs.

Personally, I would like all Canadians to be plain Canadians, and would be pleased to see Canada, in relation to the empire, placed in the position of those solid bodies that do not dissolve when they come in contact with or under the influence of surrounding elements.

In conclusion, I may say that before preparing ourselves, or whilst preparing to face any enemy from outside, it is urgent that we should maintain peace within our boundaries by putting an end to all dissensions, so that our citizens may enjoy their rights in Canada. Let those who constitute the majority of the Canadian population show generosity towards the minority; if not for the sake of love, let it be at least in a true spirit of solidarity. Let us make a truce, and rid ourselves of such political tactics as those used by the Ontario Conservative leader who sits in this house, and by his friend Mr. Drew

against the French-Canadian population in the course of a by-election in the province of Ontario.

Let us first settle our local and national difficulties and, once for all, may we realize that Canada is big enough to ensure the complete development of the ideals and the free enjoyment of the respective rights of the two great races in this country. Let the "bonne entente" be our motto, not only in theory but in practice. We will feel better inclined to greater sacrifices for our country that we love so much at the present time, but for which we will show a greater love when we are sure that all the members of the Canadian family are prepared to gladly march forward hand in hand.

Mr. VITAL MALLETTE (Jacques-Cartier) (Translation): Mr. Speaker, when the hon. member for Winnipeg North Centre (Mr. Woodsworth) spoke on his motion on January 25th, he invited the French-Canadian members to express their views on the advisability for Canada, in the event of war, to remain strictly neutral regardless of who the belligerents may be. The hon. member may rest assured that the French-Canadian members, who are all patriots, have, irrespective of party, carefully considered his resolution. Notwithstanding the importance of the issue, it is not likely that every member will give his opinion to this house; but in order to make my position clear, I wish to say a few words on this subject.

The hon. member for Winnipeg North Centre moves:

> That under existing international relations, in the event of war, Canada should remain strictly neutral regardless of who the belligerents may be.

Mr. Speaker, this is a most interesting proposal. If the mere accepting of the motion could settle this question to the satisfaction of all, I am sure that the members of this house would be in favour of it. The province of Quebec is undoubtedly opposed to imperialism. The belief there is that the word means the taking over of territory belonging to other nations by means of warfare. Quebec is not inclined to enter into partnership with the gentlemen from London or elsewhere who have their eyes on oil fields, diamond mines, gold mines, etc., etc., lying in foreign lands. These men would not hesitate in any way to have the empire, including Canada, engaged in a war to enrich themselves at the expense of poor defenceless peoples, by sending young men from all parts of the British Empire as cannon fodder, so as to satisfy the lust of these worshippers of the Golden Calf. Quebec is utterly against it, and it is not a party question at that. I also believe that the other provinces of the Dominion are no more anxious to embark upon ventures of this kind. The province of Quebec is also of the opinion that Canada has never been the cause of any war in which England was involved since the Treaty of Paris in 1763; but on the other hand, Canada has been invaded by the enemies of England, first at the time of the American Revolution, then in the war of 1812, not to speak of the trouble occasioned by the Fenian raids some time later. I say England, because at that time, the words British Empire and British Commonwealth of Nations were unknown. I may say that all the questions pertaining to the settling of the Canadian boundaries were subject to arbitration and I do not think that Canada has gained very much by it. The Privy Council lately settled the Labrador boundary. The province of Quebec was far from being satisfied with this judgment, but accepted it without protest.

As to the cost of war, I would advise the members of this house to study the figures given by the hon. member for Kindersley (Mr. Elliott) in his speech delivered on January 28th, which will be found at page 381 of Hansard. These figures, I believe, appeared in Maclean's magazine of September 1, 1936. They show that from 1915 to 1936—both years included—the war has cost Canada a total of $4,602,968,368, of which $2,000,000,000 is for interest only. And this is not the end; the worst is yet to come. As others have stated before me and with great eloquence, the worst feature of it all is the useless sacrifice of human lives, and the ensuing misery which seems endless. Unfortunately, this does not settle the question because, even though the Canadian parliament should agree to this resolution, this would not guarantee safety to this country, in the event of one of the great powers declaring war upon Great Britain. Such an enemy would not hesitate to attack the empire anywhere. Should a naval or air squadron reach our shores, could we protect ourselves simply by informing the officer commanding that we are neutral? The answer admits of no doubt. Indeed, it is evident that, neutral or not, Canada, in the eyes of non-British people, forms part of the empire.

It has been said that the United States would protect us. That may be. But I am not simple enough to believe that if our American neighbours come to our defence they will do so without our paying the cost in some way or another. We have not forgotten the case of Belgium. For many years Belgium had been protected by treaties signed by the

principal European powers, but in spite of these treaties which were considered sacred, which were almost considered as the keystone of European politics, Belgium was invaded.

Here, we have had the Chanak incident, when Lloyd George, at the time Prime Minister of Great Britain, inquired of the dominions, of Canada in particular, whether they would support his country against the Turks. Canada's Prime Minister, the Right Honourable Mackenzie King, replied that the matter would be submitted to parliament. It must not be forgotten that, speaking at Geneva some time ago, the right hon. the Prime Minister reiterated this position which, more recently, he asserted again in this house. Such is therefore the Liberal policy, the policy which we have adopted, the policy which received the approval and the encouragement of the thinking citizens of this country. Certainly, we are against all participation in war if it can possibly be avoided. We take the position that we are opposed to war. But should we be attacked we would necessarily have to defend ourselves.

I know that some people make a great deal of a separatist movement in Quebec. This movement should not be given greater importance than it deserves. There is no doubt that some of our young men are dissatisfied with the present situation. We can hardly blame them when we see hundreds upon hundreds of well-educated, healthy young men vainly seeking suitable employment. Their discontent is only natural. These young men find a further cause of discontent in the conviction that they hold—and I may add that we, the French-Canadian members of this house, are pretty much of their opinion—that our people do not obtain all the civil service positions they should occupy. Therein lies one of the causes of discontent. This discontent will vanish as soon as its causes are removed.

As to this separatist movement, there is in the province of Quebec a man qualified above all others by the high office he occupies to pass judgment upon it. This man is Hon. Maurice Duplessis, Premier of the province of Quebec. In its edition of January 18, 1937, the Gazette reports the premier as having said at a dinner given by the Provincial Command of the Federation of Catholic Scouts of the Province of Quebec:

> Again he condemned any separatist movement in the province, urging rather unity with all the other provinces for the real progress of the country.

Not only did Hon. Maurice Duplessis make this statement, but another member of his government, Hon. Bona Dussault, Minister of Agriculture, spoke as follows at a banquet of the Canadian Ayrshire Breeders' Association held at the Queens Hotel, Montreal:

> It is not by locking ourselves up in the province of Quebec that we shall be able to achieve anything tangible and stable. It is said that a separatist movement is manifesting itself in this province. I can assure you that it does not represent the sentiment of our population. I can understand how our young men, imbued with new theories and filled with ambition, should have wished for a moment to isolate Quebec from the other provinces of the dominion. Let us hope that those who launched this movement will return to the sound ideals of their fathers who wanted a United Canada.

This statement was published in Le Canada of January 29, 1937, and is to be found in La Presse and La Patrie of the same date. I hold these papers at the disposal of anyone who wishes to consult them.

I shall conclude without referring to the two other clauses of the resolution, as they are not the most important ones. The resolution is an excellent one from an academic viewpoint. Unfortunately, it belongs to the realm of dreams. Were the house to agree to it, it would have the same value as most of the resolutions that are so lightly made at the beginning of each new year.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. LOUIS P. A. ROBICHAUD (Kent, N.B.): Mr. Speaker, I had not intended to take part in this debate, but in view of what may develop I feel it only right that I should place on record the reason why I am going to vote against this resolution, if it comes to a vote.

The first part of the resolution states that Canada should remain strictly neutral regardless of who the belligerents may be. Let me say that I agree with the mover of the resolution in those sentiments. I think we should do everything possible to remain neutral in any future war, and strangely enough that is the very reason why I am going to vote against the resolution. It has been said by some hon. members, whether in or out of this house I do not know, that this resolution really is insincere; that it was meant to put some of us on the spot, as one might say. Of course I am too generous to say that of the mover of this resolution; I believe he is sincere, but to my mind he is taking the very course which will defeat his purpose.

I say that for this reason: Let us suppose we pass the resolution to-night, and word goes out that Canada is not going to take part in any future war. The very men who would be interested in moulding public opinion, in keeping alert and awake, in acting as watch-dogs against our taking part in any future war, would be lulled into a false sense of security, believing that since the parliament of Canada passed this resolution we would not take part in any war which might develop. Thus the purpose for which this resolution is brought forward would be defeated. I do not want to take part in any future war, but at the same time I want to keep public opinion alive and alert in working against this idea, of security from participation on our part in any future war, so I am going to vote against this motion. As was explained by the Minister of Justice (Mr. Lapointe), if a time should come when parliament had to take a stand, no doubt emotion would sway a large part of the people, and if we are not constantly vigilant there would be the danger that this movement would carry us off our feet, so that before we knew it we would be at war. So I say that if we passed this resolution to-night it would have the effect of lulling us into a false sense of security. We would think, "Well, we have passed this resolution, so there is no danger of Canada taking part in any war that may arise." For that reason I am going to vote against the resolution.

Hon. FERNAND RINFRET (Secretary of State): Mr. Speaker, I do not intend to make a long speech on this motion. It has been before the house on several occasions; many speeches have already been delivered in connection with it, but inasmuch as it touches a question which in one way or another has been brought very often before those who are in public life, I think before casting my vote I should clearly and briefly give my reasons for opposing the resolution. In presenting my argument I may occasionally refer to facts that already have been placed before the house, but at the same time, in order to make my speech complete though terse and brief, I shall have to repeat some of the things that have been said already.

My first objection to the motion is that in my opinion it is inopportune. I do not see why at this stage either of this year or of this session our time should be taken up with a heated discussion of a problem which is only hypothetical and which is not really before us. I believe we have so many questions to solve and so many actual, local problems to deal with that it is, I shall not say a waste of time, but an inopportune time to bring up a question of this kind.

I also share the view already expressed that we should not bind our liberty and freedom of thought by a pronouncement in advance as to an event which may happen only five or ten years hence, under circumstances we can neither foresee nor foretell. I may say further—and this is another view of the question—that if we take the motion seriously and vote upon it as an engagement to be undertaken not only for the moment but for the coming years, then the argument as to refusing to bind our liberty as to future pronouncements is very strong.

I would be inclined to say, however, that I oppose the motion because of its futility under the guise of great importance and moment. Not only can we not bind another parliament by a decision here to-night; we cannot even bind this parliament for another session. We may decide to-night that we agree with the hon. member for Winnipeg North Centre (Mr. Woodsworth). Then we may come back next year with a motion of a different kind. Every hon. member who voted for this motion might rise on that occasion and say, "Well, I have reconsidered the matter. There are new circumstances which I had not foreseen or which did not exist at the time I voted before, so I am going to reverse my vote." Therefore, Mr. Speaker, whether we consider that by voting on this motion we may bind ourselves for the future or whether we consider on the contrary that it is futile to make a solemn pronouncement to-day on a matter which may impress us differently at another session, I do not intend to vote for the motion.

It has been pointed out also, with great effect, that there is an immense difference between neutrality and participation. We may decide to participate or not to participate in any war abroad. We may take our stand as to that. I say without hesitation that it certainly would require exceptional circumstances to convince me that we should participate in any European conflict, but neutrality is another thing. You may decide to be neutral but the other party may not want to consider you as such. Who is to say that when war is declared on Great Britain any of these European or Asiatic countries will accept a declaration of neutrality on the part of Canada, even if it should come from us? It is better not to mention any names, but if one country should decide on an expeditionary force against Canada, a flotilla of airships, for instance, to be sent

against Halifax or Vancouver, it would not suffice for my hon. friend to stand on the wharves of Halifax or Vancouver and wave his little resolution as a white flag in the hope of convincing that country that Canada was neutral. Therefore a declaration of neutrality by Canada means nothing; it is a matter that is not within our control. We may like to be neutral, and we may say to the aviators, "Do not shoot at us; do you not know that we are neutral?"— but if they do shoot, we cease to be neutral. I do not wish to be harsh or discourteous to the hon. member, but when I consider the resolution, notwithstanding my effort to give it every consideration I believe I am still more opposed to it when I realize that it can lead us nowhere.

There is another side of the question I am proud to present to-night, and it comes from one who represents a county in the province of Quebec. It is well known that in that province we are not militaristic; it is well known that we are not anxious to support participation in European wars. Yet, Mr. Speaker, I am not sure that a true Britisher from my province would like to speak the language of the resolution. After all, we form part of one of the British nations. We are part of the commonwealth, and what do we declare in the resolution? These are the words:

> That under existing international relations, in the event of war, Canada should remain strictly neutral regardless of who the belligerents may be.

If we take that declaration we must realize that it means this: Just for the whimsical caprice of saying it, and for no good reason at all, we are saying to Great Britain, "It does not matter what happens; it does not matter in what war you may be engaged; it does not matter if you are on the brink of defeat and destruction, we are not going to help you." I am too good a Britisher to hold with such language on the subject. It is the attitude one friendly country would not hold toward another. Certainly it is language which France would not use towards Great Britain, because they are on good terms. Are we going to say to the mother country, to Australia or to the sister nation of South Africa: "No matter what happens, no matter what your miseries or difficulties may be, even though you may be facing complete annihilation, we take a certain cynical pleasure in declaring to you that even if matters go that far we will do nothing to help you."

I repeat that a pronouncement of that kind is either futile or unacceptable and I shall not support it in either case. Why have we this motion? I know it is wrong to impute motive to a member, and in the present instance I do not impute one to the hon. member for Winnipeg North Centre. I must add, however, that I can see what certain groups in the country are going to do with the resolution. They will use it in an effort to appeal to a certain class of people they have not the least chance of reaching otherwise. Through it they will try to bring those people to certain of their social ideas.

I take exception to the motion because of its complex nature. In paragraph 1 it says one thing and in paragraph 2 it says another. There are very few people who would vote for the second paragraph, but those people might be induced to regard it with certain favour on account of the first one. Certain people may not be socialists, and may be far from communism or anything of the kind, but they are such confirmed pacifists that they might be induced to accept the resolution—at least that would seem to be the hope behind it.

It is a great mistake to place before the House of Commons a complex motion which can only confuse the issue. I have been trying to be clear rather than prolonged or eloquent and shall be content to conclude by saying that I am in favour of the third paragraph, namely that Canada should make every effort to discover and remove the causes of international friction and social injustice, but I believe the best way to do that is to vote against the two other paragraphs.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker, it is a great satisfaction to me to know that my resolution has brought forth a serious discussion on our foreign policy. On the whole I believe the speeches have been in good spirit. Undoubtedly we face a great and complicated problem, and I am pleased to know that most hon. members take the matter seriously. I am sure most of the speakers will forgive me if I do not discuss in detail the various criticisms they have offered.

The Secretary of State (Mr. Rinfret), who has just made a short speech, has suggested that we have so many practical problems to face that we ought not to waste time on a merely academic discussion. I think he must be hard put to it when he brings forward an argument of that kind. Surely we all recognize the serious state of Europe to-day. None of us can read the newspapers without realizing that Canada may possibly be called upon to face a war in Europe. Surely then a discussion on foreign policy cannot be called academic. Further if the possibility of war

in Europe is so remote, I should like to know why the government has included in its estimates a great increase for armaments. If war is so far away there can be no reason for changing our peace policy and increasing our armaments.

Throughout the years I have had great respect for the clear logic of the French people. But as I listened to the speech of the Secretary of State and even to that of the Minister of Justice (Mr. Lapointe), I am bound to say I hoped they did not represent the logic of the French people in Canada. The Secretary of State has said that decisions of this parliament cannot bind decisions of future parliaments. No one is attempting to do that. In the resolution we simply decide what at the time we think best. If the arguments we have heard were carried out to its logical conclusion, this would mean that parliament could do no business, or could not express itself. Again, I hope that the argument of the Secretary of State is not a sample of French logic.

May I refer, too, to the eloquent speech of the Minister of Justice. I would point out, however, that it was not so much a speech on my resolution as a defence of the increased military estimates, and a statement—or, in my opinion, a misstatement—of the situation in Spain. In one place the minister said that we must not treat the gangster as we treat his victim; yet apparently he proposes to treat a recognized government in precisely the same way as he would treat rebels. I do not propose to go into those particular matters to-night as there will be opportunities in the future. I shall simply point out that the Minister of Justice has interjected questions which are quite outside the scope of the resolution. He resented very much what he called my appeal to the French-Canadians and he suggested, rather sarcastically, that I might be endeavouring to be the leader of the French-Canadians.

An hon. MEMBER: No danger.

Mr. WOODSWORTH: I have no such ambition, but I would point out that if the Minister of Justice keeps on as he has been doing he will cease to be the leader of French-Canadian opinion. Surely he is not so fearful of the policies of his government that he will not even permit an appeal to French-Canadians. I happen to be an English-Canadian from the west; there are others from Ontario who are French-Canadians. Surely we are all Canadians.

Some hon. MEMBERS: Hear, hear.

Mr. DUNNING: Then why does the hon. member single out French-Canadians?

[Mr. Woodsworth.]

Mr. WOODSWORTH: I spoke of the French-Canadians as I would speak of western Canadians or of residents of any other part of the dominion. I spoke of the French-Canadians for this special reason—I do not mean what I have to say as a disparagement of the French-Canadians. I do not know whether I should be expected to be ashamed of the fact; indeed I am not, but during the war I opposed conscription. At that time Sir Wilfrid Laurier led the opposition to conscription. I rather imagined that that fact, if nothing else, would give me the right to make an appeal to French-Canadians against militarism. Of course, if the present leaders of the French-Canadians in this house undertake to go back on the position of Sir Wilfrid Laurier—

Some hon. MEMBERS: No, no.

Mr. WOODSWORTH: Hon. members say, "no, no," but let me assure them and the house that if we have war, conscription is inevitable. The Minister of Justice doubtless is sincere—I am afraid, judging from his speech, he does not credit me with sincerity—but in talking as he does he seems to me to be betraying the principles of peace and the whole collective idea which lies behind the League of Nations. In following the lead of other nations and attempting to plead that Canada increase her armaments, I think he has betrayed the fundamental principles of peace. Since he is the recognized leader among French-Canadians, have I not the right to appeal to them on that point just as I would appeal to my own group?

Mr. BAKER: Would it not be better to use the words "French-speaking Canadians?"

Mr. WOODSWORTH: I have no objection to that. My point is that I was one of those who opposed conscription. It was not so easy for me as I was living in an English-speaking community, a community made up of people of Anglo-Saxon stock. However, I did so and now it seems to me I have the right to hope that the French-Canadians who opposed conscription at that time will resist increases in armaments. I am trying to do what I can, so far as the western provinces are concerned, to prevent such increases.

The Minister of Justice confesses that war means revolution, and yet he urges that we prepare for war. If we are prepared for war and war comes, surely we cannot be said to have tried to avoid the path which inevitably will lead to revolution. He asserts that it takes two to make peace, but may I suggest to him that it is equally true that it takes two to make war. However, he did not say that.

Mr. MACKENZIE (Vancouver): It takes only one to make war.

Mr. BENNETT: There must be someone to make war against.

Mr. WOODSWORTH: If that is the logic of the Minister of National Defence (Mr. Mackenzie), then it is about on a par with that of the Minister of Justice.

Mr. MACKENZIE (Vancouver): A very good par; better than yours.

Mr. WOODSWORTH: The Minister of Justice said that he wished I had referred to Stalin as well as to Mussolini and Hitler. I referred to Germany and Italy and Japan, all of which are outside the league. The U.S.S.R. is inside the league and to that degree is committed to the principles of collective security. I had always thought that the Minister of Justice fought fair, but I suggest that such a reference as that is not fair. I shall have no hesitation in saying in the future what I have said in the past with regard to my attitude towards soviet Russia, but I do not think it is quite fair to bring that country into a discussion where it had no place and where it had not been mentioned.

As I listened to the minister it seemed to me that either he had the jitters or he wanted to give the jitters to the Canadian people. He tells us that the world has gone mad; he talks about gangsters and thieves and so on, but that was the very kind of talk we had before the great war in order to whip the people of Canada into a war fever. We heard of the beast of Berlin and the huns and all that sort of thing. The minister was saying that which is sometimes said to children, "the goblins will get you if you don't watch out." To him the world is full of goblins.

Mr. LAPOINTE (Quebec East): And there are some in the house.

Mr. WOODSWORTH: The minister deprecates any talk about our foreign policy, and he concludes by saying, "sufficient to the day is the evil thereof." He tells us that a wise man will leave these things alone. I once more point out that this government is proposing a very heavy increase in armaments. If it is sufficient to wait until the evil day, why are they anticipating that evil day by preparing in this way? Surely it would be far more sensible for us definitely to face the whole situation and devise a foreign policy; then if it is considered that our foreign policy requires armaments, I suppose the government will have to provide them. If he will permit me to say so, I think it is downright nonsense for the Minister of Justice to tell us that we ought not to consider anything in connection with our foreign policy, that sufficient to the day is the evil thereof!

The government proposes a very heavy armaments program. Let me remind the house and the country that that will mean very heavy additional taxation. Worse than that, it offers no hope of security. It is the same old game again. We were told the last war had been fought to end war. Instead of that, it may be simply a prelude to a greater war. Canada, it would seem, is to follow the lead of the European nations. There are hundreds of thousands of people who came to this country from the old lands in order to escape the burdens of militarism. They came to a country where they thought they might have permanent peace, and yet we are preparing to follow methods which in Europe have proved to be absolutely futile.

An hon. MEMBER: A lot of those people should have been deported.

Mr. WOODSWORTH: The minister's speech was undoubtedly one of passion, but it was full of contradictions.

When the Prime Minister (Mr. Mackenzie King) spoke the other day, he admitted very frankly, and I was glad to have his admission, that war settles nothing. I remember a striking statement made in the Winnipeg Free Press in 1920:

> This is the point to which the great war carried the convictions of civilized society—

An hon. MEMBER: That was the Winnipeg strike.

Mr. WOODSWORTH:

> —that war is not only a horror in itself, but that it is a total failure; that it "settles" nothing; that it ruins the victor as well as the vanquished.

That stands out, to me, as one of the great lessons of the last war. I ask again, as I asked the other day, is there no other way? When the hon. member for Winnipeg South (Mr. Mutch) alluded to the disillusionment that had been experienced by many men who were at the front, I was reminded of some very bitter words by Jerome K. Jerome:

> I have to admit that for nearly four years I held opinions which I now find to have been an illusion. I clung to ideals which I now find to have been false.
>
> We were told that England was fighting to obtain a "righteous peace." I am learning now what "righteous peace" means. It means that when you've got your enemy down, the more you jump on him the more righteous you feel. . . .

I am learning what a "peace of reconciliation" means. It means that when you've persuaded your enemy to lay down his arms on certain terms, and on condition of the fulfilment of certain pledges, you then proceed to break every one of those pledges, and leave him to reconcile himself to his own folly. . . .

Wilson's oft-repeated assertion that America entered the war to make the world "safe for democracy" should rightly be interpreted "safe from democracy," since the iron heel of militarism is set down wherever democracy dares to lift its head.

These words are unfortunately only too true. We have sown the wind and we are reaping the whirlwind, but we are not going to prevent that whirlwind by sowing more wind.

The Prime Minister—most unfortunately, I think, because he is the head of this nation—really offered us no alternative to the present method of settlement. He proceeds to prepare for war.

I thought the Prime Minister had a rather curious idea of Christian ethics. If the other fellow is an angel of light, treat him decently. If you do not think him an angel of light, then treat him as you would the devil. That was practically his suggestion. I sometimes wonder why those who think this way do not come out frankly and repudiate the teachings of Jesus. This is a letter which I came across the other day in the Vancouver Sun:

No, we cannot function on dreams. This is a cold-blooded, practical world, with great nations hungering for land, and all the utopian theories of the C.C.F. of Canada will not change it.

Jesus of Nazareth said "Turn the other cheek," and they harpooned him on a cross, and basically human nature hasn't altered, let there be no illusions about that.

The teaching is evident. We must avoid doing anything that would bring disaster upon us.

Mr. ILSLEY: Will the hon. gentleman permit a question?

Mr. WOODSWORTH: Jesus is held up as a horrible example.

Mr. ILSLEY: Does the hon. gentleman believe that self-defence is ever justified?

Mr. WOODSWORTH: I am not going into what is at the moment a purely academic question. I would suggest that not all members or leaders in the church take the position that the Prime Minister did. This is a resolution from the Alberta conference of the United church, 1936.

Mr. FRASER: What has that to do with the question?

Mr. WOODSWORTH (Reading):

Your committee would recommend re-affirmation of our unalterable opposition to all war, and particularly in view of the suggestions promulgated by the federal minister of defence that we must have a defensive force sufficiently strong to deal with subversive elements within our borders, and to repel any attacks from without. We would also utter our emphatic protest against the increased military appropriations by the federal government now in session, for cadet and other military purposes.

That conference had not heard of the recently announced action of the government, to provide greatly increased military appropriations.

The Prime Minister frankly said that he does not expect patriotism in munitions manufactures. He said, as reported at page 247 of Hansard:

Of one thing I am perfectly sure; no manufacturer of munitions will engage in that business for the sake of charity.

I think that is a significant admission. The hon. member for Winnipeg South Centre (Mr. Maybank) was right when he protested against people talking about the soldiers going to the front for $1.10 a day. Most of them went because they thought that the—

Mr. MAYBANK: On a point of order, Mr. Speaker, the member for Winnipeg South Centre made no such remark.

An hon. MEMBER: The hon. gentleman means the member for Winnipeg South.

Mr. WOODSWORTH: Exactly; I meant the hon. member for Winnipeg South. I was going to say that I think the great majority of men who went to the front did so with the idea that they were giving patriotic service to their country. Other people stayed at home and profiteered out of the war—there is no doubt about that—and they have never been held to an accounting. Certain inquiries were made by the Liberals just after the war, but before long this investigation petered out, and we have never dealt with the profiteers who—criminally in my judgment—made money while others of their fellow-citizens died in France. I am firmly of opinion that, as the hon. member for Winnipeg South suggested, if we could take the profit out of war we would do away with a great deal that now foments and fosters war. I have not time tonight to go into the revelations which have been made by the Nye committee and by a host of books like Merchants of Death.

Again, the Prime Minister, in referring to the British commission that dealt with the possibility of nationalizing armaments, says:

Members of all political parties served on the commission.

This leaves a false impression. Let me quote a note from Foreign Affairs in an article

on the American and British munitions investigation, January, 1937, pages 320 and 328:

This commission also consisted of seven members but, unlike the American group, they did not hold public office. The chairman, Sir John Eldon Bankes, was a retired judge, 81 years of age. Two members (one a cooperator and one a retired magazine editor) were well over 70. The other members were a professor of comparative law, a journalist, a business man, and a woman who was formerly an official of the league. The personnel did not offer much promise of an aggressive enquiry; the members themselves had no first-hand knowledge of the problems with which they were to deal, and they were not authorized, as the senate committee was, to employ experts to direct the investigation and examine the witnesses. . . .

A little later:

It was not authorized, under its terms of reference, to undertake a detailed investigation of the evils ascribed to the munitions traffic, and consequently only three instances of alleged abuse were brought to its attention. On the whole, the argument for nationalization as presented to the commission, was, in its own words, "purely speculative in character and unsupported by evidence." But under the commission's mode of procedure it was impossible for the advocates of nationalization to present anything more than a speculative case. Possible evils could be cited, but no opportunity was provided to prove the existence of actual evils. . . .

There is, therefore, nothing that has been brought forward by the Prime Minister to offset the statements which were made to the effect that there had been grievous abuses under private manufacture, or to warrant anyone in saying that there is any evidence to prove that the munitions business should not be nationalized.

I urge that we do not deceive ourselves. Armaments mean war; there is no other reason for armaments than possible war, and the furnishing of armaments is one of the surest ways of inducing war. Let me cite two statements in support of that. Earl Grey, in Twenty-Five Years, said:

The enormous growth of armaments, the sense of insecurity and fear caused by them, it was these that made war inevitable.

We are following in the same old path. On this point I should like to quote some rather remarkable words spoken a few years ago by the present leader of the opposition (Mr. Bennett). In referring to the peace pact he said:

The very essence of this instrument is that those who sign it . . . begin at once to destroy by peaceful means those instruments by which peace is rendered impossible. . . . We must therefore destroy the instruments that make for war, so that when such appeals are made to the emotions there will be no response—no cannon, no navy, no troops. That is the only way by which peace can be made lasting in this world.

Well, instead of that we are now proposing to provide more cannon, a greater navy and more troops and air forces. I wonder whether we are heading in the way that makes for peace. In connection with the heavy increase for national defence, may I venture to express the opinion that there should be no increase until the veterans of the last war are adequately provided for. We have at the present time some 50,000 veterans who are unemployed. I do not think I am asking too much when I make a plea on behalf of hundreds of veterans in my own constituency as well as those throughout the west, who have written and spoken to me. I urge that we should not make any further expenditures for war until the men who are suffering from the last war are adequately provided for. I would say further that there should be no increase in expenditures until the burden of taxation is shifted from the shoulders of those who now bear it to the shoulders of those who made profits out of the last war. That is only fair. We still have in our midst people who made profits out of the war and salted them down in tax-free bonds, while the whole population, including returned men themselves, are struggling under the burden. I say that no more funds should be voted for war purposes until those who made profits out of the last war are forced to surrender their ill-gotten gains.

Again, I would suggest to the Minister of Finance (Mr. Dunning) that there be no increase for national defence until there is full provision for social services. Only last year the blind made an appeal to the minister for special attention. It is quite true that this year the age limit for the old age pension is being lowered to sixty-five in the case of the blind.

Mr. MACKENZIE (Vancouver): Nobody said that.

Mr. WOODSWORTH: Below seventy. That, however, will not provide for the vast number of the blind. Last year when this question was under consideration the minister told us from his place in the house that he was quite sympathetic; but, he said, we have no money. We have no money. That was last year, and yet to-day the Minister of Finance can apparently supply, I do not know how much, perhaps twelve, fourteen and possibly, before we are through twenty million dollars additional for national defence. We have our unemployed boys sent to farms, receiving $5 a month and if they can possibly stick it out until the spring they

get $7.50—and this after five years of unemployment. But we are told that we have no money to do anything better for them. I say, Mr. Speaker, that no money should be spent on war preparations until these boys are provided for. Every day brings to my desk letters from destitute people in the far-off districts of northern Manitoba and Saskatchewan, farmers and their wives in destitute circumstances. What can I say? I can only inform them that the government says it has no money; that relief is a provincial responsibility. There are districts out in the west that have been hard hit by the drought and the municipalities themselves are bankrupt; yet all the minister can say is, "Well, under our constitution nothing can be done; it is a provincial responsibility."

Mr. DUNNING: We are spending millions there.

Mr. WOODSWORTH: Yes, but we should spend millions more until these people are adequately provided for; we have no right to spend money in armaments until that is done. Teachers in the west are almost starving and children cannot go to school. But there is money enough to send Canada into the ranks of the militarist nations. Our medical services are hopelessly inadequate in almost every province, and housing is abominable throughout the dominion. We have no money for any of these things, but we are asked to vote large sums for increased military expenditures.

The Prime Minister said the other day that the increase for defence is for the defence of Canada and of Canada alone. Well, that may be his idea, but I would remark that this scheme fits in admirably with the imperialistic designs of a great many people in the old land. The other day I read in the Ottawa Journal the following statement:

> Swansea, Wales, Jan. 28 (CP).—A complete air defence force of 1,000 fighting 'planes was advocated for Canada to-day by Sir Henry Page Croft, Conservative member of parliament for Bournemouth.
>
> "Collective security within the empire is essential," he said, "in view of the failure of collective security for the world."

I am sure that every effort will be made to draw Canada into such a relationship with the old land that Great Britain will be free to carry on her imperialistic enterprises. Frankly I am afraid of the influence these coronation ceremonies may have on those Canadians who go over to London to represent the government. I know how easy it is to be polite on such occasions, how easy it is to try to make a good showing from the standpoint of the Canadian people. In the same issue of the Journal from which I quoted, on the next page I saw this item:

> London, January 27. Purchase of twenty United States designed planes by the Australian government was questioned in the house to-day . . .
>
> Both he and Colonel Burton inquired if reasonable steps had been taken to coordinate the Australian-manufactured planes with British Air Force requirements or assign the licences to British firms.
>
> Sir Philip, replying, said: "The commonwealth government consulted His Majesty's government in the United Kingdom with regard to the projected factory early last year, and since that time close contact has been maintained. Negotiations have proceeded on the basis that the types of service aircraft to be produced in the factory would be British designed, and this is accepted by the commonwealth government as general policy.

It seems to me that our forces will fit in just like spare parts to the great imperial machine. Either the British manufacturers are eager for sales or the British government is insisting upon a uniform type. I do not want to-night to go into the question of our national armaments, but why should we have mechanized army equipment? Why an air force? Surely these are forces which could readily be transported abroad and are designed more for such purposes than to defend our coasts.

There are some who say that those who oppose armaments live in a dream land. But in reality have we anything to fear from the United States? Is there any reasonable supposition that Germany is going to invade Canada, or that Japan would invade our country? I do not think so. Until there is, can we not go on our own peaceable way?

The Minister of Justice had a good deal to say about neutrality. Let me point out that he differed very decidedly from the Prime Minister. The other day the Prime Minister made this statement, as reported at page 249 of Hansard:

> Participation in war is the positive aspect, if I may put it in that way, and the question of neutrality is the negative aspect. Over and over again we have laid down the principle that so far as participation in war is concerned, it will be for the parliament of Canada to decide. Having taken that attitude with respect to participation, I think we might well take the same attitude with respect to neutrality.

The Prime Minister was either leading the house to believe or labouring under the impression that we could decide in parliament whether or not we would be neutral. The Minister of Justice to-day took the other point of view, and I think the correct one. I should like to ask the Prime Minister some time—he is not in his seat—Is not Canada automatically at war when Great Britain is

at war? It is all very well to say that it is for us to determine the extent to which we shall send reinforcements, if at all; but as the Minister of Justice explained to-day, if Great Britain is at war we are at war. But the Prime Minister says that parliament is going to decide as to neutrality. It is rather important to know that he thinks that way, but unfortunately that position is not sound. It is at present constitutionally impossible for parliament to decide to remain neutral in case of a war in which Great Britain is involved, until the first steps have been taken, as in South Africa, to secure Canadian control of the documents evidencing the crown's intentions. Canada has never yet declared war or made peace for herself, and could not do so as matters now stand.

The Minister of Justice quoted Professor Berriedale Keith. I too would like to quote Keith. In the Journal of Comparative Legislation, 1935, page 274, he is reported as saying that certain decisions—

> —seem to establish that any royal prerogative in respect of a dominion may under suitable legislation be controlled by that dominion.

It seems to me it is possible for Canada to control her neutrality, but this cannot be done on the mere say-so of the Prime Minister, or even of parliament. As an authority on the constitutional aspect wrote me—and I take it as my own—from the point of view of constitutional law the question seems to depend upon whether the crown has or has not been divided; that is, whether or not the empire is now merely an association of states united by a common sovereignty or a common crown. There is a reasonable amount of evidence that the crown is still undivided and unitary.

From the point of view of international law, he says:

> While dominions of the British commonwealth have acquired international status as separate entities, the exact status which they have obtained is far from clear. The separate negotiation, signature and ratification of treaties on their behalf, the separate representation of the dominions in the League of Nations and the exchange of diplomatic representatives with certain dominions by certain foreign governments, may be interpreted merely as de facto recognition of the dominions as separate, though not necessarily independent, international persons. It does not follow that other member states of the family of nations have recognized the independence of Canada or other dominions de jure, nor their capacity to declare neutrality or war on their own behalf. The recognition of the independence of a territory or colony formerly part of a sovereign state without the express consent of that former state is generally regarded by authorities in international law, as well as by the practice of nations, as an unfriendly act. By analogy it might be considered an unfriendly act on the part of other states to recognize the right of Canada to be neutral in the event of Great Britain being involved in war without the express assent of the government of Great Britain or other recognized constitutional authority such as the Imperial conference.
>
> It would appear to be necessary that some formal declaration of the right of Canada to declare neutrality be made. The appropriate constitutional authority would be the imperial conference, and the appropriate procedure a formal declaration communicated to foreign governments.

As usual, I think I may say, the Prime Minister advocated the middle way, which means in effect, a do-nothing policy. He said, as reported at page 252 of Hansard:

> I believe that with a revision of the covenant which will enable the league to proceed along lines which with further consultation, conciliation, and mediation, we shall see develop a great institution that will serve the world well.

Mr. SPEAKER: I am sorry to interrupt the hon. gentleman, but his time has expired.

Mr. WOODSWORTH: May I have five minutes longer?

Some hon. MEMBERS: No.

Some hon. MEMBERS: Go ahead.

Mr. SPEAKER: The hon. member has already had the advantage of about four minutes additional.

Mr. HEAPS: The Minister of Justice had the advantage of almost half an hour.

Mr. SPEAKER: The hon. member cannot continue unless he has the unanimous consent of the house.

Some hon. MEMBERS: Agreed.

Mr. WOODSWORTH: I thank the house for their courtesy. The Minister of Justice objected to the use of force by the league.

Mr. LAPOINTE (Quebec East): My hon. friend said I put words into his mouth. I have the reference before me; it is page 239 of Hansard. That is what he advocated, to give armaments to the league to enforce its decisions.

Mr. WOODSWORTH: This is my position; I have said that personally I do not believe in the exercise of force in international affairs. I have said that I did not think the building up of our armies was the way to promote peace, but I have realized that our governments are not travelling in that direction. Under the circumstances it would be a decided step forward if we could have collective security instead of attempted security by the exercise of power on the part of individual nations. That was my point, and in substantiation of that I should like to

read this paragraph by Mr. H. N. Brailsford, in his pamphlet Towards a New League, pages 58 and 59:

The Genevan idea that one can allow history to run on by its own uncoordinated motions, and then pull oneself up from time to time to arbitrate a "dispute"—this is thinking too obsolete for serious discussion...

What statesman of mature mind and ripe experience will undertake to give us peace, unless he can control such fundamental economic happenings? There are, of course, "disputes" that can be handled on police court lines—the Corfu affair was nothing more. But every major dispute demands planning and legislation on a wide international scale. If we mean to forbid the Japanese to conquer Manchuria, to fend off the Italians from Ethiopia, and to divert the Germans from an adventure at Russia's expense, we must have the authority and the intelligence to meet in other ways their problems of markets, capital investment, raw materials, and population. It is not enough to tackle these problems by improvisation after the dispute has arisen, as the league tried to do in the Lytton report and the Paris terms of August. Those were attempts to buy off the aggressor by a compromise at the sole expense of China and Abyssinia. That is not the way to do it. The only civilized way is by authoritative planning, which will assure to every nation the facilities indispensable in the modern world for an economic life geared to the highest attainable standard. This it must do for all, and not merely for such powers as are strong enough and egoistic enough to make a dangerous fuss. It must do it steadily, the world over, and not spasmodically at the expense of selected victims. This means more than the holding from time to time of an economic conference, whose recommendations can have no effect, until a miscellaneous horde of governments afterwards separately ratifies them. It means, in plain words, federal government, with a general staff for economic planning, and a strong executive responsible to a democratic legislature, that can enact its measures by majority vote.

This afternoon we heard the Minister of Justice (Mr. Lapointe) quote President Roosevelt as to the horrors of the next war. We all realize at least something of what those horrors might be. I simply ask that this house, as a group of reasonable people using the same methods, which, I think, they would employ in their private affairs, should seriously consider whether there is no other way of bringing about peace than by beginning to travel the road which, throughout the years, inevitably has led to disaster.

Motion negatived on division.

MOTION FOR PAPERS

MONT-LAURIER, QUE., POSTMISTRESS

Mr. LALONDE:

For a copy of all correspondence, letters, evidence, reports and other documents in the possession of the Post Office Department, relating to an investigation conducted by the said department at Mont-Laurier in August, 1936, in connection with a charge made against the postmistress of Mont-Laurier.

WAR MEASURES

MOTION FOR CONSCRIPTION OF ALL AGENCIES AND RESOURCES FOR DURATION OF HOSTILITIES

Mr. T. C. DOUGLAS (Weyburn) moved:

That, in the opinion of this house, legislation should be immediately brought down by the government of the day providing that, in the event of another war involving Canada's active participation, every agency, financial, industrial, transportation or natural resources, shall automatically be conscripted for the duration of such a war, and that a penalty be imposed for the violation thereof.

He said: Mr. Speaker, I do not present this motion to the house as one who has lost all hope of peace or as one who anticipates another war. But in view of the fear of an impending conflict, to which the Prime Minister (Mr. Mackenzie King) and the Minister of Justice (Mr. Lapointe) referred this afternoon, I believe the policy which this country would follow in the event of war should be discussed at this time.

This motion is in no way inconsistent with the resolutions that have been presented and the pleas for peace that have been made from time to time by our group in this chamber. It follows in logical sequence those of the hon. member for Winnipeg North (Mr. Heaps) and the hon. member for Winnipeg North Centre (Mr. Woodsworth). The hon. member for Winnipeg North asked that we should have a peace conference that might prevent war. The hon. member for Winnipeg North Centre asked that, if this was impossible, we in Canada should refrain from entering into such a war. Now, in this motion, I am suggesting that if it is impossible to keep out of a war, at least we should state clearly to the people of Canada the steps which we shall pursue in the prosecution of such a war.

At the outset, may I direct attention to the fact that if we are drawn into the maelstrom of war the legislation asked for in this motion would be invaluable. On the other hand, should war be averted, which I am sure is the wish of every hon. member, no harm possibly can have been done by placing upon the statute books of Canada measures such as are suggested in this resolution.

In the first place, may I point out to hon. members that this motion does not request the nationalization of industry. Personally I would favour such a step, but for the purposes for which this motion is intended nationalization would be unnecessary. The

word "conscription" does not mean or imply social ownership. It means the compulsory enlistment or the regulation, control and regimentation of industry in the interests of the state during a pressing emergency. It would mean the strict control and supervision of industry to prevent citizens from making large sums of money at the expense of the state. It would mean the fixing of prices, the stabilization of wages and the national control of finance and credit, to the end that no person or group of persons, by reason of their age, their occupation or their particular position, should be enabled to benefit while other sections of the population were engaged in making sacrifices in defence of their country. It should be pointed out that this idea is not new and that practically every nation engaged in the last war was moving slowly toward this situation when the armistice was signed. In Great Britain, when Mr. Lloyd George was appointed Minister of Munitions, he began the coordination of industry in an endeavour to harness more efficiently the resources of the nation, and the British profiteering act of 1919 was a further step in this direction.

In March, 1918, Bernard Baruch was appointed head of the war industries board in the United States, and undertook to organize distribution so that the army's needs would be supplied, and the prices paid by civilians for depleted supplies of goods would be kept down to a reasonable level. This body fixed prices, stabilized wages, and even proceeded to fix prices on the basic commodities purchased by the consumer. Products were graded according to quality and sold at a fixed price according to grade. For instance, a person not having a war industries board card in the window was not permitted to sell shoes. Rents as well as the prices of wearing apparel and food products were to have been fixed, but the armistice made unnecessary any further action on the part of the board.

Mr. Baruch, who was an outstanding and successful American business man, was so convinced by his experience as chairman of the war industries board of the necessity of such a step that he has since been a constant advocate of a program to take profit out of war, and has spent a small fortune in research work along this line. In the Atlantic Monthly of January, 1926, he outlines in the following terms the program submitted by the war industries board:

In the event of war, the president would have power, acting through another war industries board, to fix prices at what was considered a fair level before the war. It would be illegal to buy, sell, serve or rent at any other than these prices. Brakes would be applied to every agency of inflation before the hurtful process started. The draft board would have before it the estimated needs of every business and profession in its relationship to the conduct of the war, and men would be selected accordingly. Prices would be made public and readjusted every three months, so that consumers would have redress if prices were considered too high. Money would be controlled and directed like any other resource.

Mr. Baruch continues:

A man should no more be permitted in war time to use his money as he wishes than he should be permitted to use the product of his mill or factory. Each part of the community must adjust its wants to the great undertaking in order to win.

He goes on to say:

If the government in the future has authority to fix prices and distribution of materials and labour, rent and use of man-power, transportation and all the things necessary for the conduct of war, any rise in prices will be prevented, even in the anticipation of war. This plan will remove the possibility of anyone's urging war as a means of making profits. The fact that profits would be less in war than in peace, and that wealth and resources would be directed by the government might have some active deterring influence on men of great resources. Instead of being passive they might become active advocates of peace.

Recently in France the government took steps to bring the entire armament industry under direct government control, with a view not only to prevent certain armament manufacturers from supplying potential enemies, but to ensure greater efficiency in the event of the outbreak of war.

In discussing the resolution of the hon. member for Winnipeg North Centre the Prime Minister (Mr. Mackenzie King) said:

Even if we succeeded in bringing about the nationalization of industry to the extent that all war materials could be manufactured without profit, I am afraid that for a long time to come we would not recover what in the interval we had lost in the way of individual initiative and freedom.

May I point out that the experience in the last war was just the opposite to the assertion made by the Prime Minister. Those who have followed closely the herculean efforts of Lloyd George during the famous shell shortage of 1915, or the struggles of Bernard Baruch in the United States, will never claim that private industry is able efficiently to supply the needs of a country at war. In practically every country engaged in the last war it was necessary to impose government control, and to place many of the entrepreneurs in managerial capacities in their own plants.

With reference to loss of initiative, I think the house will recognize that in time of war thousands of people are compelled to suppress their desire for initiative and are expected for the good of the state to subjugate their individual desire to centralized authority so that the war may be more efficiently conducted.

The motion is not an attempt to force the nationalization of industry upon the country or to suggest any policy which would make toward the lessening of our efficiency in the event of a declaration of war. The intention of the motion is that we shall begin now to take the necessary steps to remove the element of profit from any war which may occur in which Canada shall be involved, and that all the industrial, financial and human resources of the nation shall be mobilized for the purpose of bringing such war to a successful termination. Let me, therefore, draw to the attention of hon. members some of the advantages to be derived from taking the necessary steps to place upon the statute books legislation which would immediately conscript all wealth in the event of Canada participating in a war.

The first reason for advocating such a course is that private manufacture of arms permits a condition whereby individuals, and groups of individuals, motivated by the desire for profit, constantly foment war scares and stir up international friction. There is perhaps no story quite so black as the history of the armament manufacturers of Europe, Great Britain and the United States. The activities of private manufacturers of armaments may be divided roughly into three classes: First, their activities prior to the great war; second, their activities during the great war, and, third, their activities in the post-war period. For the purpose of this debate it is unnecessary to trace the origin of great armament firms such as Krupp in Germany; Schneider Creusot in France; Armstrong and Vickers in England; Gatling, Maxim and du Pont in the United States. Suffice it to say that for half a century before the great war these firms were growing in power in different parts of the world. They exchanged patents. They owned shares in each other's companies. They bought influential newspapers and periodicals, and put members of the civil and military authorities on their pay-rolls. I refer hon. members to a study of the armament industry written by Doctor Engelbrecht and Hanighen, entitled Merchants of Death, or Philip Noel-Baker's book entitled The Private Manufacture of Armaments, or E. Staley's War and the Private Investor. These three books are heavily documented. They are prepared not by journalists, but by men of research.

[Mr. Douglas.]

Very early in their development, armament manufacturers were quick to learn two things. One was that patriotism is not always profitable, and that to refuse to sell equipment to an enemy or a potential enemy may be patriotic, but it is very poor business. So the Franco-Prussian war was won by the assistance of Schneider's artillery, and Sir Basil Zaharoff, the wily Greek, showed his impartiality by selling submarines not only to his native Greece but also to her oppressor, Turkey. The pompom guns which wrought such devastating havoc in the Boer war were sold to South Africa by the British firm of Vickers. Krupp manufactured in Germany armour-plating for battleships that were later destined to defeat the fatherland in the great war. British arms-manufacturers fortified the Dardanelles where later thousands of young Anzacs were to meet their death. Some of the manipulations of this den of thieves were almost amusing. For instance, after the Russo-Japanese war Schneider wanted to rearm the Russian army, but found that the Russians were lacking in the necessary finances. Schneider thereupon organized a banking syndicate and floated a loan in Paris to facilitate the Russian rearmament. The Russian revolution which took place in 1917 resulted in the repudiation of all debts, and as a consequence the French people found that they had equipped the Russian army but had paid for it themselves.

The second great lesson which the members of the armament ring were quick to learn was that times of peace and security meant times of depression in their particular line of business. Consequently, they sowed discord in an attempt to keep the nations of Europe in a constant state of military and naval preparedness. For instance, Schneider had placed in those French papers which he owned statements purporting to have been made by German military officials boasting about their superior military strength as compared with that of France. The response was, of course, an increased military expenditure by the French. This was immediately brought to the attention of the German people and resulted in a similar step being taken by that country. In this way suspicion was kept at fever heat and every opportunity was taken by these salesmen of death to keep every nation in a maximum state of military and naval preparedness.

However, it was during the great war that the armament manufacturers showed themselves in their true colours. The great war revealed the fact that these armament manufacturers have no country and own no loyalty other than their personal gain and the satiation of their unending greed. The great war was a mass of contradiction. British ships foundered

in the Dardanelles because of British-made mines and were crippled by British-made guns. French troops in Bulgaria were repulsed by French 75 mm. guns in the hands of their enemies. Bulgarian and Roumanian troops fought each other with weapons bought from the same firm. The Skoda company helped to rearm Russia and the Russians turned their Austrian-made guns against the Austrian armies.

The international solidarity of the armament manufacturers was shown by the Briey-Dombasle incident. The great iron mines of the French armament industry are in the Briey basin. Early in the war these were captured by the German forces and immediately used to supply Germany's ever increasing demand for armaments. In 1916 the French advanced sufficiently in this territory to bring the Briey basin well within the range of their heavy artillery. Throughout the entire war it would have been possible to continue aeroplane bombing operations against this section. It would have been possible at any time from 1916 to 1918 to destroy the mines and brass furnaces of the Briey district and to cut off the supply of metal which was keeping the German military machine operating. Yet, throughout the duration of the war, Briey remained one of the so-called quite sectors. Documentary evidence has since been produced in the French Chamber of Deputies showing that when queries were made as to why the iron mines at Briey had not been reduced to ashes, the reply of headquarters was, "If we destroy Briey, the Germans will at once retaliate and destroy our plant at Dombasle." That is, both sides would have been badly crippled; the war would have come to an end long before it did, and perhaps a million or more men would not have been killed. To the armament manufacturers this would have been the supreme tragedy.

Throughout the duration of the war there was a most significant and confused international trade in war materials even between enemy nations. German industrialists were shipping scrap-iron to France via Switzerland at the rate of 150,000 tons a month to be used to tear German boys to pieces. In the attack on Verdun German boys found themselves impaled on barbed wire which had been made a few months before in Germany. English merchants shipped into Germany through Scandinavia, glycerine and Canadian nickel which it was known perfectly well would be used to mangle English soldiers in the trenches. French nickel also found its tortuous way, greased by profit, into Germany. The construction of German submarines would have been practically impossible but for the shipment of French aluminum which arrived in Germany via Switzerland. Volumes of evidence have been produced by the Carnegie endowment for international peace, the Walter Haines school for international relations at Johns Hopkins university and the Nye commission appointed by the senate of the United States, to show that throughout the entire war patriotism was sacrificed to the making of profits and human lives were destroyed in order that dividends might be earned on armament shares. In every country that participated in the great war amazing profits were made by companies selling war materials to various governments.

With the cessation of hostilities in 1918 the armament makers had to resort once again to their old tactics of keeping nations in a constant state of armed preparedness and of stirring up international friction wherever possible. Before the war to end war was quite finished, Schneider, Vickers, Skoda and Krupp were busily engaged again. In fact, the peace conference was still in session when war broke out between Greece and Turkey. The British supported Greece and Vickers arms were amply supplied to the Greeks who advanced into Asia Minor. The French were also interested in that particular area and consequently did not prevent Schneider from arming the Turks. We have the ironical picture of the British and French delegates sitting at the peace conference while Greek soldiers with British guns were engaged in the task of fighting Turkish soldiers armed with French guns. An American correspondent reported as follows:

> First I saw the retreat of the Greeks. They left behind artillery and machine guns all of which bore the mark of the English firm of Vickers. Then I witnessed the triumphant entry of the Turks into Smyrna. They brought with them magnificent guns made by Schneider-Creusot. On that day I understood what the entente cordiale meant.

When the Riff uprising took place in Morocco it was put down at great cost of French soldiers. These wild tribesmen were found to possess large supplies of excellent modern military equipment of French manufacture. Discreet silence in official and journalistic quarters stifled comment on this discovery.

The rearmament of Germany under Adolf Hitler was financed and carried out to a very large extent by the firm of Skoda in Czechoslovakia and the Schneider-Creusot firm in France. In 1933, despite the fact that the treaty of Versailles forbade Germany from having a military air force, the Germans

placed an order with a British aircraft manufacturer for sixty of the most efficient fighting planes in the market. Only the intervention of the British air ministry prevented the delivery of the planes to help in Germany's rearmament program. Nor are we here in Canada altogether free from this unscrupulous trade in blood and slaughter. With the consent of the house I should like to place on Hansard a table secured from the external trade branch of the Dominion Bureau of Statistics dealing with the export trade of Canada. From this table it will be seen that our exports of nickel have doubled.

Mr. DEPUTY SPEAKER: The hon. member for Weyburn (Mr. Douglas) cannot put the table on Hansard without reading it.

Mr. DOUGLAS: I do not want to raise the point, but several tables have been placed on Hansard this year by members who merely handed them to the Clerk.

Some hon. MEMBERS: No.

Mr. MACKENZIE (Vancouver): With the consent of the house.

Mr. DOUGLAS: If the house disagrees, of course I shall be compelled to read it.

Mr. LAPOINTE (Quebec East): I object. We cannot answer things like that unless they are read. It is easy to make a long speech in that way.

Mr. DOUGLAS: I think the Minister of Justice (Mr. Lapointe) should be the last person to say that, after speaking an hour and twenty minutes this afternoon.

Mr. LAPOINTE (Quebec East): At least I was reading what citations I wished to have recorded in Hansard.

Mr. REID: And the minister did not read his speech. Keep to the truth.

Mr. DOUGLAS: I shall not take time now to read this table. I shall be very glad in closing the debate to place it on Hansard or to have one of my colleagues do so. But I wish to say that the export of nickel from this country has been doubled since 1933, despite the fact that 1933 was our best year since 1929. To whom was this increased exportation sent? Our exports to Great Britain have doubled, and our exports to Germany have also doubled since 1933, while last year the increase was twenty-seven fold. The increase in the export of nickel to Italy has been phenomenal. The increase in 1935 over 1934 was fourfold, which recalls the fact that that was the year in which Italy was waging her ruthless campaign against Ethiopia. It is interesting to note the tremendous increase of nickel exports during the past three years to the Netherlands, which means in reality indirect shipment to Germany. That nickel is undoubtedly being used in Hitler's rearmament program. Fortunes are being made in Canada to-day by the International Nickel Company and by a number of firms selling huge quantities of copper to rearming nations in Europe. Last year the production of copper reached 420,000,000 pounds, the greatest number recorded in Canadian history. The Canada Car and Foundry Company, a firm which began in 1917 with the manufacture of arms to ship to Russia, has had a new lease of life on the expectation of orders from Great Britain to build aeroplanes. Press reports state that Canadian Vickers are said to be making contacts in western Canada with such firms as the Vulcan Iron Works in Winnipeg and the idle General Motors plant in Regina, with a view to establishing armament plants in that part of the country. Canadian Industries Limited, of which the president is Mr. A. E. Purvis, chairman of the National Employment Commission, controls the major chemical industries of Canada, has investments in General Motors and Dunlop Tires, and owns five explosives and armament factories in Canada. The total earnings of Canadian Industries Limited for 1934 are more than one million dollars above 1933, and for 1935 are slightly less than one million dollars over 1933.

Figures of the Department of External Affairs show tremendous increases in our exports to Morocco during the last three months of 1936. One of my colleagues will deal with that. I just want to say in passing that those exports consist in the main of large quantities of wheat which are going to Spanish Morocco and undoubtedly are being used to feed insurgent troops, and of large quantities of nitrate, which, the chemists say, can very easily be converted into high explosives. It is possible, in fact it is more than likely, that we are making a very large contribution to the unfortunate conflict which is now going on in the Spanish peninsula.

I submit, Mr. Speaker, that the whole history of the armament industry ought to teach us that the private manufacture of arms should not be left to the unpatriotic, unscrupulous, and oftentimes diabolical machinations of international racketeers. I contend that the parliament of this country has a responsibility to its people to see to it that certain corporations and individuals, motivated only by a desire for gain, should not be permitted, now or later, to supply war materials to enemies or potential enemies. This is particularly true of the

export of nickel. In a modern war no country can fight long without nickel, since it is absolutely necessary for the manufacture of shells, cannon, armour-plating, tanks, et cetera. Nickel, along with oil, has become the indispensable requirement of modern warfare. Not only can no nation fight a modern war without nickel, but no nation can participate in a modern war without Canadian nickel, for we in Canada are in the fortunate position of controlling the major supply of the world's nickel. We have within our hands what may prove to be the key to the entire situation. Courageous and conclusive action taken at this time may well prevent the rearming of certain nations in Europe to-day. It is for this reason that I have urged in this house before, and now urge again, that the government consider seriously the advisability of setting up a commission to control the export of nickel from Canada and to prevent what easily may come to pass, the slaughtering of our youth by the very material which we have dug from our soil.

The second reason why I believe this resolution should be passed is that it would be a deterrent to keep us from plunging into war. In a time of crisis no nation can afford to have within its borders a small group of individuals who, for purely personal reasons, desire to see their country at war. That there are such individuals has been shown again and again by the history of the past fifteen years. The story of William B. Shearer, whose unscrupulous actions did so much to sabotage the naval disarmament conference at Geneva, is known to all hon. members. At a public investigation in the United States, Mr. Shearer claimed that he had been promised $250,000 by certain shipbuilding concerns and steel companies for his services on that occasion. Mr. Shearer represents a type, one that I am afraid is not altogether uncommon. This parliament can remove once and for all the profit incentive that might stimulate certain individuals to advocate war, by declaring unequivocally here and now that in the event of an outbreak of a war in which Canada is actively participating, all wealth shall be conscripted, controlled and operated for the sole purpose of winning the war, without so far as is humanly possible the making of profits by any corporation or individual.

The third reason why I believe such a step would be beneficial to the interests of the Canadian people is that it would give our citizens across Canada the feeling that fair treatment was being meted out to all and sundry, irrespective of rank, age, sex or social position. It is being recognized to-day by most students of international affairs that an outbreak of war will be followed almost immediately by a conscription of all available man-power. I have never had a very high opinion of the armament manufacturers, but nothing I could have said would have constituted a more scathing indictment than this statement of the Prime Minister the other day:

> Of one thing I am perfectly sure; no manufacturer of munitions will engage in that business for the sake of charity.

That is true beyond a doubt. But we shall expect men to hazard their lives not for charity but for patriotism. Once again we shall ask, as we did from 1914 to 1918, over half a million young Canadians to suffer the hardships and privations of a military campaign, indeed, even to lay down their lives on the foreign field, with no greater promise of reward than that a grateful country will erect a cenotaph to their memory or utter eulogistic orations over their graves. But while men are being asked to make the supreme sacrifice, other men will benefit by the very absence of these young heroes. Men engaged in industry will make higher wages. People in all walks of life will benefit by the scarcity of labour, while those engaged in the manufacture of implements of war will make fabulous fortunes at the expense of the state. Nothing we can say here will justify this discrimination. I for one have no wish to see Canada become involved in a war, but if we are compelled to participate in a war I would ask that the sacrifice which will undoubtedly be entailed shall be extended to all sections, classes and ages of the population. Let us have no more war in which the members of one group fight and receive $1.10 a day while others line their pockets in comfort and security. If we go into war we must all go in and not leave the burden to merely a few. If we have the power to conscript human life and to expose it to danger, who shall deny us the power to ask for the use of the economic and physical resources of the nation.

The final reason why I propose this motion to the house is that I believe it is one of the few proposals that, while acting as a stimulus to peace, nevertheless would strengthen us in the event of war. I take it that all of us want peace, and that none of us is desirous of seeing Canada participate in another world war. Yet all of us would hesitate to take in the interests of peace any steps which would leave us helpless in the event of war. We are citizens of the world, but first and foremost we are citizens of Canada and her welfare and security must always remain of

paramount importance. But the proposals contained within this motion, while acting as a deterrent to war, would not weaken us in the event of war but would rather coordinate and strengthen our nation in any struggle in which it might be called to engage. No group of people know more about the horror of war than the men who served in the last great conflict that shook the world. At the dominion convention of the Great War Veterans' Association in 1925 the following resolution was adopted:

That the dominion parliament be urged to consider legislation, to mobilize the whole power of the nation for national service in the event of a declaration of war;

That, the property equally with the persons, lives and liberties of all citizens shall be subject to conscription for defence of the nation.

If I am informed correctly, I believe the present Minister of National Defence (Mr. Mackenzie) was the individual who moved this resolution at the historic convention to which I have referred. I can conceive of no one better equipped than the Minister of National Defence to understand the procedure that would best recommend itself to all parts of the country. The fact that the minister, supported by the Canadian Legion, advocated such a step, ought to commend it to every hon. member.

At a more recent conference, namely, the dominion convention of the Canadian Legion of the British Empire Service League, held March 19, 1936, the following resolution was adopted:

Be it resolved that this convention reaffirms the resolution passed at the dominion convention of the Canadian Legion held at Ottawa in 1934, and at Niagara Falls in 1932, urging that in the event of another war the government take immediate steps to conscript the entire man-power, wealth, natural resources, public utilities, business and industrial institutions of the nation, so that by so doing the profit may be taken out of war and the entire citizenship may be moved in a common incentive to seek peace and maintain it.

These two resolutions, coming as they do from bodies of men who bore the brunt of the last titanic struggle in which we were engaged, speak more eloquently than anyone else can for the need of measures similar to those suggested in the motion now before the house.

During the last war, while some fought, others filled their pockets; while some laid down their lives, others laid up treasure against the morrow. Now, with the danger of another conflict hovering over us, men who fought so nobly and sacrificed so much have placed themselves on record, asking that should they or their children be called upon to expose themselves to danger in defence of their country, the burden of such an undertaking should be borne by the rich as well as by the poor, and by the aged as well as by the young. Only upon such a basis would any government dare to ask its people to undergo the rigours and excruciating suffering of another war.

Mr. R. J. DEACHMAN (Huron North): Listening to this debate during the last day or two I have come to the conclusion that we shall have no more wars. We shall be saved from war not by armaments but by resolutions discussed in this House of Commons by our peace time soldiers. War is the essence of violence, and when war comes we shall marshal what forces we can possibly assemble and hurl them against the forces of the enemy.

The only question which we need to discuss in regard to this resolution is this very simple one: Would the passing of the resolution and its embodiment in an act of parliament help us to strike harder when the day of war came? Well, I have my doubts. In the last great war twelve days elapsed between the murder of an Austrian prince and the outbreak of hostilities. During that time the military machine clicked in Europe. Sir Edward Grey and the other British leaders strove to prevent war and then came the pentecost of calamity.

When the next war comes I venture to suggest that it will come upon us much more suddenly. Perhaps we shall hear of uneasiness in the cabinets and in the capitals of Europe, and then wake up some morning to find that war has broken out. And what will be the situation at that time? The government will have the task of carrying on the business of the nation; it will have to conduct the war. I have considerable confidence in the present government, as many hon. members know, but I do not believe that a government which is running the affairs of this nation and at the same time taking its part in what will be the most titanic conflict the world has ever known, will stop at that time to consider the fact that a resolution had been proposed by the hon. member for Weyburn (Mr. Douglas), suggesting a change in our economic system.

My hon. friend suggests to-night that he does not propose that conscription shall involve the taking over of any particular plants or anything else in Canada. What does it mean? The suggestion is that these things shall automatically be conscripted for the duration of the war and that penalties shall be imposed for the violation thereof. I am not sure what this means; I am not sure whether it means that the penalty is to be

imposed upon those who refuse to accept the conscription or whether it is to be imposed upon the government for not carrying out the act if passed. But what difference does it make? When the war comes the government of the day will do the best it can. It will take over what plants it needs; it will conscript men. But you do not improve the situation by passing a resolution declaring now that you wish to do this. I imagine that the government which is laying certain plans for eventualities that may arise will also consider other plans it intends to carry into effect so far as economic circumstances and financial conditions will permit. But I do not believe the government can suddenly decide to take over the country's entire industry. It will take over what is necessary and do the best it can to marshal the forces of the nation in the struggle which is before it.

We lost the last war not in the field but by peace. We may lose the next war, although fought for freedom and the establishment of our own political conceptions, if we attempt at the outbreak of hostilities to accept the ideas which are guiding our enemies in the conflict. We have in Europe to-day these war-mad nations, but they cannot be saved from their madness by government ownership of munition factories. They cannot be saved from it by taking the profit out of war. Russia has taken the profit out of war; Russia owns her munition factories; there are no profiteers in war supplies in Russia. If profiteering is attempted, those found guilty of it are backed up against a wall and shot. But Russia marshals the greatest war force in Europe to-day and is one of the prime disturbers, although perhaps she may feel her position justified because she faces the other great war nation of Europe which, accepting a different political theory also prepares for the coming conflict.

I venture to suggest that we have heard too much of the power of the armament makers to cause war. Does anyone in this house think that Great Britain has, on the advice of a few munition makers, turned to armaments as she has during the last two or three years? Is that possible? Great Britain has turned to armaments after risking her safety in the cause of peace; she has armed because she feels that she must be prepared to fight or lose her position in the world. But she is not doing that at the behest of some manufacturer of armaments. I suggest that the same thing is true of the United States. To-day the United States is spending on arms and equipment for war more money than she ever spent before. Does any hon. member believe that President Roosevelt and Secretary of State Hull are guided by a desire to please the munition manufacturers of the United States? Is that conceivable? We are preparing here to spend money on military equipment; does any hon. member think the Minister of National Defence (Mr. Mackenzie) or the Prime Minister (Mr. Mackenzie King) are governed by a desire to give an order to some manufacturers of arms and war equipment? The action taken is because of the situation which exists in the world to-day. Rightly or wrongly they are convinced that our defences must be increased, and they are going about this in the way which, in their judgment, is best calculated to meet the situation. That is the position. There are other and far more potent causes of war.

This does not mean for a moment that during war we should not apply the principles of sound taxation to the profiteers and all who make money from war. We should endeavour as far as possible to conduct a pay-as-you-go war. We may accomplish all that is sought by this resolution by the application of taxes which will take from those who make money out of war the gains which they have made. But the situation cannot be improved by taking over factories, unless in special circumstances of particular need. You cannot help your side to win war by becoming communists or fascists, or by adopting the principles of communism or fascism. There are other and far more deep-seated causes of war than the munition makers or even the fascists, causes which have their being in the economic life of the people and the very nature of things as they exist to-day. There are in Europe to-day certain land-hungry nations, nations which have not the natural resources required to enable them to develop the life of their people as they desire. We have the same thing on the Pacific—Japan, with a rapidly growing population, struggling to make headway. It finds that other nations have acquired great areas of land, and now it proposes to acquire some on its own account. It is bursting with the forces of expansion. When that happens, it constitutes a problem which must be faced; it is a problem which we ought to discuss in this house, if we are going to avoid war. Germany wants colonies, Italy wants colonies. It is all very well to say that they cannot have them, if that is the viewpoint, but are you going to deny to them the right to do business with you? That is precisely what we are doing to-day. I have heard the argument, and it is true, that Germany or Italy can come to Canada for wheat; they can go to the United States for cotton;

they can go to Australia for wool; all these countries are ready to sell them the raw materials which they possess. But are these nations willing to accept goods from Germany or Italy in payment for the products which they want to buy? I ask this house one question: At the time that we were holding millions and millions of bushels of wheat in the elevators of western Canada, if Germany or Italy had come to us and said, "We want one hundred million bushels of wheat; we will take it at a fair price and will ship in payment an equivalent value in goods," what would the government have said? I wonder what my friend the hon. member for Davenport (Mr. MacNicol) would have said. I am sorry he is not in his seat. I wonder what the government which formerly occupied the treasury benches would have said. There would have been at once the cry, we cannot permit the importation of these goods from outside because it would deprive our Canadian people of employment. Well, if you accept that doctrine, then you must keep your wheat at home, because the only means by which you can get payment for the goods which you send out is by accepting payment in goods.

Another particularly striking thing came to my attention the other day. Following the war American financiers loaned large sums of money abroad. In other words, there were large outward shipments of goods from the United States to different countries, and the Americans accepted bonds in payment therefor. Then the interest on those bonds became payable. Meanwhile the tariff of the United States had gone up and there was no chance to make payment in goods. What followed? The value of the bonds went down. The whole financial structure began to collapse, and that was the beginning of the crisis of 1929. The American people, no more intelligent than the average protectionist in this country—and that is not very intelligent—accepted the idea that if they were paid in goods for the goods they had sent abroad, ruin would stare them in the face; their people would be unemployed.

Let us follow the technique of that a little and see if we can make it clear. If the British government owes someone in the United States $1,000 on a bond, settlement would normally be made by the shipment of goods to the United States to the extent of $1,000; the goods would be sold and the bondholder would be paid—I leave out the intermediate transactions in exchange. The bondholder would then have $1,000 which he would spend in buying a new car. Would anyone be deprived of employment by that process? It is clear and simple; there is no difficulty about it. But the obstacle that stands in the way is nothing other than the economic ignorance—

An hon. MEMBER: Stupidity.

Mr. DEACHMAN: That is a good word; I shall put the two together—the economic stupidity and ignorance of the protectionist spirit which dominates the people of the world to-day. Can you save this situation by discussing a resolution like this? Can you save it by an amendment to the British North America Act, as was discussed in the house the other day? Is there any other way by which the people can get clear of the fear and the horror of war than by making them recognize that in a world which God has made an integrated and correlated world, you cannot live unto yourself alone and still have peace?

That is the essence of the whole situation. That is what we must do if we hope to escape war. As long as men are human, with human passions, you will not be clear of war and the fear of war until you get clearly into your minds the fact that you can exchange freely with your brother man without the slightest fear of injury to yourself. That is the approach in truth to the elimination of war. There is no other way by which we can escape that curse.

Mr. E. G. HANSELL (Macleod): Mr. Speaker, I should like to add a word or two to the discussion on the resolution now before the house, and I wish to affirm my approval of it. I had intended to speak for a little while to the motion which was debated this afternoon, but I was one of the speakers listed to follow the Minister of Justice (Mr. Lapointe), and I felt that it would be an imposition on my part to speak just at that time. I find, however, that some of my material will fit into this discussion very admirably, and with that in mind I wish to present a few observations.

I am certain that no one wants war. I am sure that if the peoples of the world were asked their opinion by way of a plebiscite or a vote, almost to a man the verdict would be: No. But we realize that conditions are as they are and that facts must be faced. Therefore we have the resolution reading "in the event of war." It is suggested that the industries—and I fancy the resolution means particularly the war industries—of the country should be conscripted in case of war. That may appear to involve a great deal; nevertheless it is not without its possibilities. I

am conscious of the fact that there would arise the necessity of determining what manufacturing was for war purposes and what was not. This is not always easy. The same is true with regard to our exports. For instance, Canada is the leading nickel exporting country in the world. She produces about eighty-one per cent of the total nickel production of the world. Canada's production of nickel increased by more than fifty-one per cent from 1933 to 1934. In 1935, Canada exported about $28,500,000 worth of nickel, or about four times as much as she exported in 1933, and I have said nothing about the huge quantities of other kinds of metal that have been exported. It will readily be seen, therefore, that some difficulty may arise in determining which of these exports are for probable war purposes, and the same thing would be true, although to a lesser degree, in regard to finished products.

We cannot permit such difficulties to interfere with that which is right, and certainly to my mind it is not right for private industry to make money at the expense of life. I listened with some interest to the previous speaker, the hon. member for Huron North (Mr. Deachman). Whether or not I got the complete force of his argument, I understood it to be that the resolution had to do with whether or not we could strike harder when war came. I do not think that is the intent of the resolution. It is not a question of whether or not we can strike harder when time of war comes; it is a matter of whether or not we are to be drawn into a war by the influence of the fine art of private manufacturers of arms. The hon. gentleman referred to Great Britain; he mentioned President Roosevelt, Mr. Cordell Hull and the present Prime Minister of Canada (Mr. Mackenzie King), saying that these men certainly would not be influenced by private manufacturers; that they would not go to war simply because private manufacturers of munitions influenced them. I am not going to debate that point. We do not assume for a moment that they would do so. Nevertheless the fact must be faced that for a long, long time private manufacturers of armaments have had their propagandists in the field. Those propagandists are not there to influence governments to stay out of war. While the mover of the resolution (Mr. Douglas) was speaking this evening he referred to the well known Mr. William B. Shearer. It was by sheer coincidence that I happened to be reading about this same gentleman at that very time. In this connection I should like to read a paragraph or two—

Mr. DUPUIS: What is the title of the book?

Mr. HANSELL: I will give that. I might mention also that some in this corner of the house have been accused of reading a great many quotations.

Some hon. MEMBERS: Hear, hear.

Mr. HANSELL: Well, I am going to quote from a book which I believe to be exceptionally authoritative. It is the first in a series of two volumes by Philip Noel-Baker, M.P., entitled The Private Manufacture of Armaments. Someone may cry out, "Who is he?" I am going to read who he is. He is the late Cassell Professor of International Relations in the university of London; late Fellow of King's College, Cambridge; member of the British delegation to the peace conference, 1919; parliamentary private secretary to the Secretary of State for Foreign Affairs, 1929-1931; personal assistant to the president of the disarmament conference, 1932 and 1933. In the book there is a prefatory note by Viscount Cecil.

Now for the quotation concerning Mr. William B. Shearer and the propaganda that goes on at disarmament conferences, if you please. I am breaking into the middle of the story:

> There are, moreover, some aspects of Mr. Shearer's work with which many British readers are unfamiliar. Most people, indeed, remember no more than the simple fact that Mr. Shearer was paid $25,000 for six weeks' propaganda at the naval conference summoned in 1927 by President Coolidge at Geneva.

That is a pretty nice sum of money for six weeks' work. It makes me feel that perhaps we who are endeavouring to unravel international complications are receiving the salaries of office boys. To continue the quotation:

> They forget that this was only one special job among a number, and that for several years he was doing the same kind of propaganda for a number of employers in the United States. Here is his own account of his activities, as he summarized them in the suit he lodged against the Bethlehem Shipbuilding Corporation, the Newport News Shipbuilding and Dry Dock Company, and the American Brown Boveri Company—the three most important private naval shipyards in the United States:
>
> "Services rendered and performed by plaintiff relating and with respect to the shipbuilding industry, the business of ship building, and the increase thereof, as affecting the business and financial interests and welfare of the defendants; service as representative of the defendants at Washington, D.C., Geneva, Switzerland, New York city, and other places in connection with the matters above referred to; the preparation and distribution of literature, data, and information relating to the above-mentioned and other matters; interviews and conferences with various individuals, in-

cluding public officials and representatives of the press; the preparation and delivery of public addresses; the organization and conduct of a publicity campaign for the benefit of and aid of the business and financial interests of the defendants; consulting and advising with the defendants in relation to the above and other matters affecting their business and financial welfare; and generally aiding and assisting the defendants in the conduct and promotion of their business affairs."

In pursuance of these activities, Mr. Shearer:

(a) Visited Geneva during the meeting of the preparatory disarmament commission in 1926;

(b) Visited Geneva again during the naval conference summoned by President Coolidge in 1927;

(c) "Lobbied" in Washington during the "three cruiser fight" in 1927, to which reference has been made above;

(d) "Lobbied" again in Washington on the Jones-White Merchant Shipping Bill, which Mr. Wilder so successfully carried through in 1928;

(e) "Lobbied" yet again in Washington in the so-called "fifteen cruiser fight" in 1929;

(f) Conducted speaking tours throughout the country, interviewed the press, wrote articles, etc.

I think that is enough of that. But to say such work was not done in the interests of profiteering in war manufactures is to talk nonsense.

May I add one or two further observations, and I am getting them from the same book. Perhaps I am doing a good deal of quoting to-night, and some hon. members may object. I trust, however, that the objection is not raised because the authorities are so authoritative. As a general rule governments approve the private manufacturing of armaments, sometimes even to the extent of giving financial backing and assistance, although the British government has been against this policy of financial assistance for the armament export trade. Nevertheless, to say the least, financial concerns are sometimes closely related to armament firms. Vickers, Armstrong, Schneider and Krupp have either created their own banking houses to help them carry on their work or established close personal relations with important banks.

Then there is the sale of armaments to potential enemies. To some extent the mover of the resolution has covered this question. It is obvious that private manufacturers of armaments are in business not for pleasure or by reason of their great patriotism, but rather for profit. It could be said that if the profit were taken out of war there would be no private manufacturing of armaments. This means that armament firms are constantly on the lookout for foreign markets, which results in the sale of armaments to potential enemies.

[Mr. Hansell.]

At page 184 of the book I find that out of 141 warships built by Armstrong-Whitworth before the great war, 105 were built for foreign countries and thirty-six for Great Britain. At page 189 I read the following:

After the war the German armament industry, with the knowledge and collusion of the German general staff, did much to organize the rearmament of Russia. In particular, they allowed Herr Stolzenberg to set up a chemical warfare factory on Russian soil, and Junkers to build extensive aircraft works. In these and other ways, German arms firms helped the Soviet government to lay the foundations of its present military strength. To-day the governments of Russia and Germany are preparing openly and feverishly for war, and there is no more dangerous situation in the world than that which their hostility involves....Italy was a member of the triple alliance; she was bound by treaty to join Germany and Austria-Hungary if European war broke out; yet she failed to march in August, 1914, and within a year she was fighting on the other side. Other no less flagrant cases could be cited.

Then, at page 195:

The latest tanks are the result of long and costly experiment and research. Yet it has been stated that, when Germany started to rearm, and while her right to do so was still violently contested by the government of France, a great French arms firm sold 400 tanks to Herr Hitler's government. In order to evade suspicion, the tanks were shipped through Holland to Germany.

With these few observations I announce my determination to support the resolution. I am glad the mover of the resolution has stated that it is not intended to emphasize the nationalization of industry. Personally I am against the nationalization of industry, but I do not think that in a time of war industry should make huge profits out of that which kills and destroys our young manhood. It may be said that war is a national crisis and that we should conscript all industry. It might also be said that we are now in the midst of a national crisis and that all industry should be conscripted or nationalized. The national crisis we are in to-day is purely economic, whereas the crisis of war is entirely different. With these reservations, I intend to vote for the resolution.

Mr. J. R. HURTUBISE (Nipissing): Mr. Speaker, I had not intended to speak on this resolution, but in view of the remarks made to-day and a few days ago by the hon. member for Weyburn (Mr. Douglas) with reference to the exportation of nickel, I feel it to be my duty to say a few words. After listening to the hon. gentleman one would think that the producers of nickel in Canada are combined with the arms manufacturers of the world. I should like to prove to the house that this is far from being so. The

International Nickel Company, which is the exclusive exporter of nickel from Canada, has made a great contribution to this country in the way of scientific and industrial advancement. It is true that some nickel goes into armaments, but it is not a great deal. Before the great war, nickel was not used to any great extent in industry and naturally a large part of the production was used in armaments. However, in 1929 more nickel was used in industry than was used for armaments at the peak of the war-time consumption. The company's representatives state that manufacturers of armaments now consume less than five per cent of its production. I should like to quote what was said by Mr. F. E. Lathe and Mr. S. J. Cook of the national research laboratories. These gentlemen presented a paper at the thirteenth annual meeting of the League of Nations Society of Canada on the control of war metals as a peace measure. These men made inquiries as to the production and exportation of Canadian nickel and at this meeting held in Ottawa on May 31, 1935, they said:

> The restriction on the production or movement of war metals would not necessarily prevent war. The only real hope of placing effective restriction upon the conduct of war operations by limiting the production or movement of key metals lies in international action.

They say that substitutes could be made available for aluminum and nickel, at least in so far as the application of these metals are concerned. As I said before, the representatives of the company state that only five per cent of its production is used for war purposes. After making a study of the matter, these two gentlemen state that eighteen per cent of the nickel exported is used for armaments. The International Nickel Company, the sole producer of nickel in Canada, has made a great contribution to the progress of this country. Nickel is used in this and other countries for almost every purpose. It is used for architectural and household purposes, mainly in the form of monel metal. Nickel silver and stainless steel are used for exterior and interior architectural ornamentation and also for restaurant, household and factory equipment. A large amount of nickel silver is used for hardware, plumbing and tableware. These are just some of the uses to which this metal is put.

During the past few years the International Nickel Company has spent hundreds of thousands of dollars in research work to find new uses for this metal. These people are intelligent and they realize the word is being passed around that nickel is being used largely for armaments. They are trying to prove to the Canadian people that only a small percentage of their production is used for that purpose. The large portion of their production is used for purposes other than armaments. We see all around us examples of the use of this metal in one alloy or another.

I mentioned architectural and household use. Nickel is used also in the automotive industry. Nickel alloys are used for automotive parts subject to great strain such as gears, drive shafts, roller-bearings and forgings. Stainless steel is used for ornamental parts and nickel alloys are used for cylinders and other parts of the engine. Nickel silver is used for interior ornamental work and also in the manufacture of spark-plugs. These articles are not manufactured for war purposes and there are hundreds of thousands of pounds of nickel exported every day to be put to uses such as these. I discussed this matter with the officials of the company and I know for a fact that nickel is being used, not for armaments but for the different purposes I have mentioned.

Because of its lightness it is also used in aviation. The chemical and allied industries are large users of nickel. For instance, monel metal, inconel—these are different preparations of nickel—and stainless and corrosion-resistant steel for corrosion-resisting equipment for all sorts of articles in the ceramic, dairy, laundry, distilling, dry-cleaning, glass, ice-cream, pulp and paper, soap, textile, wine and beer industries. This indicates the wide range of uses of nickel. Then there are electrical and radio uses: nickel radio tube parts, monel metal bolts, nuts and fittings, nickel chromium electrical-resistance alloys for heater coils and elements of electrical heating appliances; nickel-iron alloys for thermostatic elements; nickel-iron and nickel-cadmium accumulator batteries. This again indicates the wide use of nickel. In machinery there is the rolled, forged and cast nickel alloy steel for stressed parts. That is where nickel comes most into use on account of its combination with steel, giving the greatest resistance ever found in steel. Nickel is used in gears, shafting and roller-bearings, nickel alloy cast-iron for bed plates, frames, cylinders, brake drums, rolls, housings, for heavy machinery, machine tools, agricultural implements, excavating machinery. Then in marine construction, we find nickel alloy steel propeller shafts, turbine gears, diesel engine parts, nickel alloy cast-iron pumps and valves. Then in the mining in-

dustry, nickel is used in drilling equipment and mine skips, car axles, crushing machinery, nickel alloy cast-iron for crushing and grinding equipment, pumps, and valves. It is also used in the railways. This shows that there is a very wide range of uses for nickel.

The hon. member for Weyburn mentioned the great exports of nickel to different countries. Everybody knows that the United States is the most advanced nation in the manufacture of mechanical instruments. They have hundreds of industries of that kind, and it is for their purposes that most of the nickel exported to that country is used. Forty per cent of our nickel production goes to the United States. The hon. member mentioned some time ago that nickel was going in increasing amounts to the Netherlands. I should like to give figures of the world distribution of exports of nickel. If I were allowed, Mr. Speaker, I could put on Hansard the whole table supplied by the bureau of statistics showing the exportation of nickel from 1927 to 1937.

Some hon. MEMBERS: Put it on Hansard.

Mr. McLEAN (Melfort): Read it.

Mr. HURTUBISE: I refer to Canada's exports of nickel and its derivatives, by hundredweight, to the chief importing countries for the fisical years ended March 31. I know the hon. member for Weyburn (Mr. Douglas) has seen this report, but I contend that he has drawn false conclusions from the figures.

The total exports of nickel in hundredweights were:

Year	100 pounds
1927	624,447
1928	782,285
1929	1,074,822
1930	1,065,175
1931	819,293
1932	543,791
1933	325,607
1934	1,066,421
1935	1,195,025
1936	1,609,252

Great Britain and the United States are the greatest importers.

Great Britain imported, in hundredweights:

Year	100 pounds
1927	243,305
1928	346,639
1929	303,638
1930	138,284
1931	319,569
1932	198,755
1933	59,976
1934	340,393
1935	444,358
1936	607,906

The United States imported:

Year	100 pounds
1927	300,097
1928	317,511
1929	619,596
1930	790,511
1931	407,455
1932	247,871
1933	156,706
1934	515,893
1935	526,699
1936	721,986

The Netherlands imported:

Year	100 pounds
1927	75,558
1928	101,696
1929	95,733
1930	88,487
1931	24,056
1932	19,889
1933	28,274
1934	102,882
1935	70,673
1936	123,008

As the hon. member said, this shows the increase of exports to neutrals.

At this point let me observe that I cannot understand how an embargo or restrictions can be placed on the exportation of nickel. Those who import it will give all kinds of misinformation before, during or after war.

In the years enumerated the imports for Norway were as follows:

Year	100 pounds
1930	874
1931	36,656
1932	51,464
1933	69,517
1934	88,850
1935	108,181
1936	111,462

Let us take Germany, the bugbear of which we are so much afraid. Her imports were:

Year	100 pounds
1927	1,823
1928	6,528
1929	15,726
1930	3,284
1931	6,597
1932	9,885
1933	2,512
1934	8,303
1935	1,910
1936	833

These are all hundredweight.

Mr. COLDWELL: What about Italy?

Mr. HURTUBISE: These are the figures for Italy:

Year	100 pounds
1927	1,121
1928	4,502
1929	7,270
1930	7,758
1931	7,620
1932	3,363
1933	3,254
1934	2,575
1935	12,711
1936	25,114

The figures for France are:

Year	100 pounds
1927	Nil
1928	538
1929	23,827
1930	24,748
1931	879
1932	1,202
1933	115
1934	457
1935	1,864
1936	3,885

The figures for Japan are:

Year	100 pounds
1927	2,543
1928	4,516
1929	8,692
1930	1,991
1931	2,989
1932	3,821
1933	2,466
1934	7,009
1935	23,841
1936	14,312

Let me give now the total figures for foreign countries:

Year	100 pounds
1927	381,142
1928	435,640
1929	771,184
1930	926,888
1931	499,724
1932	345,033
1933	265,625
1934	725,969
1935	750,594
1936	1,001,232

Mr. DOUGLAS: What is the source of these figures?

Mr. HURTUBISE: The bureau of statistics. As I have said, the different alloys which the manufacturers of nickel in Canada produce and export are rendering a great service not only to this country but to all the nations of the world, and it is not by any means in the manufacture of armaments only that their nickel is used. The nickel is produced in Copper Cliff, three and a half miles from where I live, and I know the conditions there. Some hon. members are under the impression that the manufacturers are concerned only with armaments; that they are ogres; that they are great profiteers, and that their workmen are labouring like slaves and are badly taken care of. Let me take this opportunity to say I know for a fact that not only is this industry making a great contribution to the welfare of Canada but its labourers are the best-treated in the country. I do not have them with me, but in my files I have circulars from the labour defence league, which is a branch of the communist organization that is working so hard in Canada. These circulars make interesting reading. When the International Nickel Company almost closed down for a while for repairs or reconstruction, these people were cursing the company for not making use of a sufficient number of men, and now that the company is using more men and treating them well, what do we find? If an accident happens, if a man is killed, they put up posters all over the city to convey the impression that the workmen are being cruelly treated.

I can assure the house that in addition to research work the company is spending unlimited amounts to prevent accidents. Accidents will happen in any industry, in any walk of life, no matter what precautions we may take against them; they cannot be altogether eliminated. I can, however, vouch for the fact that the company is making every effort and spending considerable sums of money to protect its employees. Not only that, but it is taking care of them from the social point of view. Last fall when the communists around Sudbury were spreading propaganda with respect to the treatment the labouring classes were supposed to be receiving from the company, I went to the officials and asked for a report to show what the company was doing for its men and what its operations meant, not only for that district, but for the dominion. I have in my hand a report given me in September, and according to the figures set out in this report I find that in the ten years from 1926 to 1935 the company paid in wages and salaries, $84,000,000; in materials, $69,000,000, and in freight, power and dividends, $47,000,000, creating per annum an average of $20,000,000 in direct Canadian buying power. On the basis of present operations the company spent in Canada during 1936, in labour and salaries, $15,800,000; in materials, $12,500,000, and in freight, power and dividends, $8,700,000, thus creating in 1936 a total of $37,000,000 in direct Canadian buying power.

Mr. COLDWELL: What were their total profits last year?

Mr. HURTUBISE: I shall come to that in a moment. The estimated capital expenditure of the International Nickel Company in 1936 for Canadian labour and materials was $11,000,000. The company used more than 250,000 tons of Canadian coal. I said at the beginning that this company is making a contribution to Canadian life, in furnishing employment, in buying Canadian materials and in many other ways. On the basis of present operations the company will use in a year 53,000,000 feet of Canadian lumber. This would provide steady employment for a year for a lumber camp of more than 1,000

men. The company at present has more than 9,000 employees, which means that it is providing a livelihood for some 20,000 people in Canadian homes, and through its purchases the company provides a livelihood for an additional 20,000 people in Canada.

I hope I have been able to prove that the International Nickel Company have no connection with the manufacture of armaments. Their greatest ambition is to get away altogether from it. They cannot prevent some nickel from going for use in armaments, as will steel, copper or any other metal. But why discriminate against nickel when it can be proven that only a very small percentage goes to armaments, and that is uncontrollable? Why not say as much against copper or any other metal?

Mr. HANSELL: We would.

Mr. HURTUBISE: I have been in this house for seven years and the only talk of embargoes and restrictions on the export of metal has always been in regard to nickel, as if it were the only metal used in armaments. I know, because I am in close contact with what is being done; I talk with those concerned every year and I know the efforts they are making to extend the use of nickel in every industry in this and all other countries, and to lessen its use as much as possible for armaments. Why discriminate against this company? The hon. member for Weyburn (Mr. Douglas) as well as others who have spoken are far away from it; how can they judge of the program of the company? I am at closer range, and as I knew this question was to come up, I made it my business to procure these figures. I am more than ever convinced that this discrimination against the International Nickel Company is antinational; it is nothing but the thin end of the wedge of socialism. One speaker said tonight it was not their ambition to socialize everything. Well, it is nothing but the thin end of the wedge leading to nationalization of all our industries. Would the nationalization of the manufacture of nickel in Canada give better results than those I have demonstrated? I cannot think it would give more work, or better accommodation for their labouring men.

Mr. DOUGLAS: Or more profits to the shareholders.

Mr. MacINNIS: The hon. member has not reached that yet.

Mr. HURTUBISE: Nationalization could not give as much protection and satisfaction to the employees. If we enter upon a socialization policy the results would be what they are in Russia. We have to take one or the other, socialization and communism or the profit system.

Not only has the International Nickel Company made a contribution from the scientific point of view, from the labour point of view, but it has brought into the coffers of the Minister of Finance over $3,000,000.

Mr. COLDWELL: What were its profits last year?

Mr. HURTUBISE: Last year its profits were over $23,000,000. But that has to be compared with its total production. If you do a $25,000 business and make $1,000 profit, how does this compare with such an enterprise as the International Nickel Company making $23,000,000 profit? The ratio is no greater. I say it is pure and simple discrimination against that company.

Mr. MacINNIS: It has not hurt them any.

Mr. HURTUBISE: Why discriminate against them? There are other industries in this country making big profits. Why should the International Nickel Company be blamed if they make the average rate of profit that the others do? It is because they are intelligent men and know their business that they succeed. If others fail, it is because they have not the proper men at the head of their organization.

Mr. MacNICOL: They pay big income taxes.

Mr. HURTUBISE: Yes, they pay according to their amount of work and their profits. They are on the same basis as any other company. If one compares the amount of business they do in one year with that done by other companies, are their profits any bigger than those of the other companies?

An hon. MEMBER: Yes, they are.

Mr. HURTUBISE: The total is bigger, but the percentage is not. From the speeches we have heard to-day it is evident that the desire of some hon. members is to set up socialism and communism in this country. I trust that by these few remarks I have been able to dissipate the misapprehension and misinformation which some of the speeches we have heard this afternoon would convey to the Canadian public. In view of those speeches and the tenor of the resolution I cannot support it.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Friday, February 5, 1937

The house met at three o'clock.

FARM IMPLEMENTS COMMITTEE

First report of the special committee appointed to inquire into farm implement prices.—Mr. J. F. Johnston (Lake Centre).

ELECTIONS AND FRANCHISE

SPECIAL COMMITTEE—CHANGE IN PERSONNEL

Hon. ERNEST LAPOINTE (Minister of Justice) moved:

That the name of Mr. Brunelle be substituted for that of Mr. Girouard on the special committee appointed to study the Dominion Elections Act, 1934, and the amendments thereto, and the Dominion Franchise Act, 1934, and the amendments thereto.

Motion agreed to.

DIVORCE IN BRITISH COLUMBIA

PROVISION FOR APPEAL TO PROVINCIAL COURT OF APPEAL IN DIVORCE AND MATRIMONIAL CAUSES

Mr. H. C. GREEN (Vancouver South) moved for leave to introduce Bill No. 15, to provide for appeal to the court of appeal of the province of British Columbia in divorce and matrimonial causes.

Some hon. MEMBERS: Explain.

Mr. GREEN: In the province of British Columbia the supreme court, which is the trial court of the province, has been trying divorce cases for many years. Its right to do so is based on the law of England as of the year 1858, which has been held to have been in force in British Columbia when that province came into confederation. But it has been held also that the court of appeal for the province of British Columbia has no jurisdiction to hear appeals in divorce matters. The result is that the only appeal is to the privy council, and that means, of course, that there is no appeal at all except for the very wealthy people of the province. In every other province of the dominion in which the courts have and exercise jurisdiction in divorce causes there is an appeal to the appellate court of the particular province. This national parliament alone has the power to correct this situation, because by the British North America Act we were given the exclusive legislative authority in divorce matters. The purpose of this bill is merely to bring the practice in British Columbia into line with the practice in the other provinces.

Mr. MACKENZIE (Vancouver): Is the power of the various provinces by statute or otherwise?

Mr. GREEN: This parliament passed a statute six or seven years ago giving the courts of Ontario power to grant divorces, which I believe has been taken to include the power to hear appeals. Our difficulty in British Columbia arises by reason of legal decisions. It may be that these decisions are wrong, but they come from courts as high as the Supreme Court of Canada; and our present position is this, that there is really no appeal in this serious matter of divorce. The bill aims to set that position right.

Motion agreed to and bill read the first time.

HOME IMPROVEMENT LOANS

PROVISION TO ENCOURAGE REPAIR OF RURAL AND URBAN DWELLINGS

The house resumed, from Tuesday, February 2, consideration in committee of Bill No. 11, to increase employment by encouraging the repair of rural and urban homes—Mr. Dunning—Mr. Sanderson in the chair.

On section 2—Definitions.

Hon. CHARLES A. DUNNING (Minister of Finance): This section was pretty well discussed the other day.

Section agreed to.

On section 3—Institutions guaranteed against losses.

Mr. STIRLING: Will the minister explain how the losses are computed and how the dominion government will be protected in the matter of the amount of losses?

Mr. DUNNING: As indicated in the next section of the bill, the guarantee of the dominion with respect to loss is limited to fifteen per cent of the aggregate losses of the particular lending institution. As I explained the other day, it is not a guarantee of the individual loss nor is it a guarantee with respect to losses in particular areas or related to particular branches of an institution; it is the losses of the institution in its lending operations as a whole.

Mr. STIRLING: When will they be computed—annually?

Mr. DUNNING: As a matter of fact that has yet to be worked out—the precise cut-off date—because the measure as at present drawn is based upon a continuous operation with power to the government to terminate at any time the guaranteeing of further

moneys. Further on in the bill will be found a clause relating to power of regulation, and among the matters to be regulated are the proceedings in the event of default, which regulations are now in process of being worked out. The leader of the opposition the other day raised a point with respect to the continuing of guarantee in case of default. That has been looked into since, and in order to make matters doubly sure the Department of Justice has supplied me with an amendment which I think will clarify the point. However, I think we shall reach that later on.

Mr. BENNETT: The point raised by the hon. member for Yale (Mr. Stirling) is important, to this extent. I do not consider that regulations can confer any greater power upon either the government or the lending institutions than the statute itself provides. In other words, the statute must be the basis of it and the regulations must be within the powers of the statute. At least I so read it. There is a difficulty here unless the government desires to pursue the course it followed last year and disregard the terms of its guarantee with respect to ultimate loss. The loss arises the day there is default. That would be the legal position, and the result would be that on the day default was made the right of the bank to call for payment of guarantee would arise, unless we had covered it by some appropriate provisions in the statute. The question which the hon. member for Yale has asked is, I think, of the most far-reaching importance on this particular point. When does the liability attach to Canada? That is the question. In law it attaches the minute there is failure to pay according to the terms of the contract. That is to say, if a man borrowed $360, payable in thirty-six instalments—let us say for the sake of argument, $10 each, though that is not quite right—the minute he makes default in payment of the first instalment, as the case may be, that moment the right arises of the lending institution to look to the guarantor. Obviously, unless there is some provision that all instalments shall become due, you have the old story which is very well known to lawyers: the others to continue to go on and march into maturity as the time passes. But the obligation of the state to make good its undertaking has arisen at the moment default is made with respect to the payment of the first $10 or the second as the case may be. It does not seem to me that this is sufficiently covered by regulations. The question asked is one that goes to the very root of the transaction.

Mr. DUNNING: From a practical standpoint I agree entirely with the view taken by the leader of the opposition. Of course, I cannot offer a legal opinion except that of the Department of Justice, but looking at the matter as a practical one it is quite possible for a default by an individual debtor to occur while the lending institution is still lending to new borrowers.

Mr. BENNETT: Quite so.

Mr. DUNNING: Let us assume for the moment that the plan continues in operation for a year. It is conceivable that some of the earlier borrowers at the end of the year may be in default, but at the same time the lending institution is continuing to lend to new borrowers. The manner in which the guarantee shall become effective as between the lending institution and the government has not yet been worked out in detail because of that difficulty. We have endeavoured to leave it subject to future arrangement, but it is important, as the leader of the opposition says, that whatever is done should have sound law behind it. The Department of Justice has said, regarding the matter, that once the debtor has made default the liability of the guarantor arises in the absence of provisions to the contrary in the agreement. The creditor is not bound to request the debtor to pay or to sue the debtor before proceeding against the guarantor. The guarantor, however, cannot be permitted to suffer by reason of any arrangement which has taken place between the creditor and the debtor. The rule is that any material alteration in the terms of the debt which is guaranteed, made by the creditor and the debtor without the guarantor's assent, will discharge the guarantor, and a binding agreement by the creditor to give the debtor an extension of time is deemed to be a material alteration. That is precisely the point my right hon. friend makes. It is important however to observe that the guarantor is not discharged if he agreed in the contract of guarantee or in some other way that time might be given to the debtor with impunity or if he afterwards confirmed any agreement giving time. Mere omission on the part of the creditor to press the debtor for payment will not, if there is no binding agreement to give time, discharge the guarantor even if the debtor subsequently becomes insolvent. By a binding agreement is meant an agreement given for valuable consideration and enforceable by debtor and creditor. The intention is to execute a contract of guarantee with each lending institution. The contract will be made subject to the act and the

regulations made under the act, and the regulations will contain the conditions upon which an extension of time will be granted. Thus the lending institutions will have in the contract of guarantee itself the consent of the government to extensions of time, subject to certain conditions.

The question arises whether there is power under paragraphs (b) and (f) of clause 8 to make regulations permitting the lending institutions to grant extensions of time. The Department of Justice, while not admitting that the bill as now drafted is defective in this respect, thought that as the point had been raised it would be wiser to insert a new paragraph (c) in section 8 to remove all doubt. Perhaps I might read that now, although we have not yet reached the section. Paragraph (c) as amended would read as follows:

> In the event of actual or pending default by a borrower the extent to which the lending institution and the borrower may, notwithstanding the provisions of paragraph (c) of section 6 of this act, alter or revise any of the terms of their agreement respecting a home improvement loan without discharging the guarantee under this act.

With this amendment the Department of Justice say that regulations could be passed under which the lending institutions would be able to grant extensions of time in certain cases even if some of the instalments were not payable until more than three or five years, as the case may be, after the loan was first made. That is the advice I have on that point.

Mr. COLDWELL: Is it the intention of the government to guarantee fifteen per cent of individual loans, or fifteen per cent of the aggregate amount loaned?

Mr. DUNNING: The aggregate.

Mr. COLDWELL: Then how are you going to arrive at the condition of default when the guarantee would become operative?

Mr. DUNNING: As I said just now, the transactions will be continuous. This must be worked out in practice. In a sense it will be a revolving amount. When shall we determine a block of aggregate losses? That is a question we have to work out with the lending institutions. If our experience is similar to that of the United States it will not be a troublesome matter, because the proportion of loss there has been very small. The point must be worked out between the lending institutions and the government in the guarantee agreement, as to when we will assume a cut-off date for the establishment of an aggregate loss with respect to the total loans made by an institution. The difficulty of course is the continuity of the transactions, the lending of ever more and more money. I cannot say in terms that we would positively make a cut-off one year or two years from the date of commencement of the scheme, but there must be a time agreed upon. I have taken this ground in communication with the institutions that we think in fairness to the government every reasonable effort to collect from a debtor must be exhausted before we will admit that a particular default constitutes part of the aggregate loss of that institution.

Mr. BENNETT: That will have to be set by agreement, though.

Mr. DUNNING: That will have to be set by agreement. We have to work it out. Precisely what the decision is to be is now under consideration.

Section agreed to.

Sections 4 and 5 agreed to.

On section 6—Conditions of loans.

Mrs. BLACK: Mr. Chairman, paragraph (d) says:

> The maximum charge which may be made by an approved lending institution for a home improvement loan shall not exceed a rate of discount of three and one-quarter per centum for a one year loan repayable in equal monthly instalments and proportionate rates for other periods.

I asked the minister the other day if the same rate would apply to Dawson or the Yukon Territory, where normally we have to pay from twelve to twenty per cent interest. Money may be put in the bank, and no interest is paid on it by the bank, but we have to pay to the bankers there the rates of interest I have mentioned. Will the rate provided for by this subsection apply there?

Mr. DUNNING: No loan can be made anywhere in Canada under the provisions of this legislation at a higher rate than that named in the bill.

Mr. HEAPS: This is the clause dealing with the limitations, fixing the maximum which may be lent at $1,000 on certain homes and $2,000 in the case of a duplex. The purpose of the bill is said to be to provide employment. If that is so, personally I should not object if the measure went further than is proposed in this clause. It makes very little difference to a workman whether he obtains work in a small home of a value of three, four or five thousand dollars, or in an apartment block

worth $50,000. I do not know how far the government might have to go in the way of guarantees if they went beyond the provisions of the present clause, but I believe the maximum is much higher in the United States. Could the minister give the committee some information on that point? I should like to know if there is any objection to extending the scheme to provide for the renovating and remodelling of larger premises than are provided for in the present clause.

Mr. DUNNING: Under the plan at present in operation in the United States, following their earlier experience they have extended it to include commercial buildings, churches, large industrial buildings and others of the kind. But we feel that we had better start with what we have and gather experience and then see whether it would be wise to extend it beyond the present limitations.

Mr. HEAPS: The minister the other day gave an idea of the amount which has already been granted by the banks for the renovating of buildings—

Mr. DUNNING: Homes.

Mr. HEAPS: Well, buildings as covered by the provisions of the bill. Can he give an idea as to the amount that has been requested from the lending institutions?

Mr. DUNNING: No, we have not that information.

Mr. BENNETT: The average is between $300 and $400.

Mr. HEAPS: That is the average amount which is being granted. What I am asking is the amount of money that has been applied for and the amount that has been granted.

Mr. DUNNING: I cannot give the amount that has been applied for. The only return to the department is with respect to applications for guarantee, and any applications which have been refused of course do not appear in connection with applications for guarantee.

Mr. HEAPS: Could the minister inform the committee what this rate of interest, three and one-quarter per cent discount on a loan repaid in monthly instalments, really amounts to?

Mr. BENNETT: It is 6·32 per cent.

Mr. DUNNING: The other day I arranged to supply every hon. member with copies of the literature on the subject, in which we have been careful to publish complete tables for the guidance of borrowers. The actual effective simple interest rate equivalent to 3¼ per cent discount for a loan for a year would be 6·32—or 6·23, one or the other. In actual practice, of course, the borrower of $100 receives, instead of $100, the sum of $96.75. He pays back the flat sum of $100, distributed over the period of his loan. That is, he pays $3.25 for the use of $96.75 for a year, but he pays it in advance.

Mr. CAHAN: Could the minister anticipate the time when he will move amendments and allow us to see a draft of the proposed amendments? None have been published as yet in the votes and proceedings.

Mr. DUNNING: I shall be glad to do that.

Mr. CAHAN: In matters of this kind one would like to have a certain time to consider these amendments.

Mr. GREEN: Will the minister say what is meant by "long term lease"? I think in the different provinces a long term lease would be defined in different ways, and there does not seem to be anything in the bill to indicate just what is meant by that expression.

Mr. DUNNING: That question raises one of the difficulties of trying to qualify the term "owner" in connection with legislation of this kind which does not involve any security being taken on the property by the lender. My hon. friend will understand that if we limited "owner" to the literal meaning of the term "ownership" it would debar a great many people in various sections of the country where the long term lease method of holding property is in force. From the point of view of the present measure it is practically effectual ownership that is meant. At any rate such a long term lease certainly should not disqualify a person occupying a dwelling from what we intend to accomplish. That is why the words "long term lease" have been used. As a matter of fact we are thinking of widening it a little more; we are proposing to add the term "life tenants," because from the point of view of this legislation a life tenant ought to have just as much right to go to the bank and get a loan with which to improve the property of which he is the tenant. Then, in order to be sure that we are not debarring any class of person who ought to qualify, we are proposing to add at the end of (i) the words "and any persons having rights approximating ownership." This question arose in a case involving what in the west we used to call squatter's rights. The person concerned had occupied his dwelling for a long time. There was no title other than that which might obtain under

squatter's rights, but it was a reasonably substantial home for a working class family. Why should not such a man get a loan if he is able to convince the bank that he can repay it? Why should he be denied the opportunity because he was not the actual owner, or had not a lease?

Mr. BENNETT: He was not the registered owner.

Mr. DUNNING: But he had something at least approximating ownership, from the point of view of the administration of this act.

Mr. GREEN: Would the minister say that a loan could be obtained by a person who had a five year lease?

Mr. DUNNING: No.

Mr. GREEN: That would be a period two years in excess of the maximum time within which a loan has to be repaid.

Mr. DUNNING: The ruling we have already given in the department is this: the owner of such dwelling, for the purposes of the home improvement plan, includes the lessee of such property provided that the lease does not expire until three years after the date on which the last instalment of the loan is required to be paid. That is the regulation at present.

Mr. MacNICOL: Before the section carries I would appreciate it if the minister would give me a little information with regard to subsection (a). Do I understand that if a large house is to be turned into a four family dwelling the loan that will be allowed for that improvement will be $1,000 for each family unit plus an additional $1,000, or $5,000 in all?

Mr. DUNNING: Yes, that is the maximum in such a case.

Mr. TUCKER: With regard to subsection (f), do I understand it to be the intention that there shall be no guarantee in any case where the bank takes security? If that is the intention of this legislation I submit that this subsection should be worded differently. It reads:

No security by way of endorsement or otherwise shall be required.

If the bank should take a more or less doubtful attitude with regard to a loan; the applicant might produce an endorser and offer his endorsement to the bank, the bank could then say they had not required the endorsement but it was offered to them, and the bank could claim the protection of the act. If it is the intention of the government that the bank shall not be able to claim a guarantee under the act in such a case I suggest that the clause should read:

No security by way of endorsement or otherwise shall be taken.

Mr. DUNNING: Certainly if such a loan were taken with security it would not qualify for the guarantee. As to the use of words, I do not like to dispute with my legal friends as to whether "taken" or "required" is better. Pesonally I have no objection to my hon. friend's suggestion. A point has been raised, however, on which I should like to have the view of the committee. We have been considering the addition of the words "so long as the borrower is not in default."

Mr. BENNETT: That is the question I was about to raise.

Mr. DUNNING: I am not very sure as to whether that is desirable, but having regard to the fact that this is a guarantee by public funds should we not be in the position of taking security after default in all cases where security is available? That is the argument. On the other side of the question the difficulty is that in connection with these small loans it is quite possible for a borrower to be in default just a short time, two weeks, three weeks, a month, involving only one or two instalments, and it would seem to me to be opening the door very wide to put every lending institution in the position of hounding such a man immediately for additional security. Perhaps the committee would express some view on that.

Mr. BENNETT: I was going to point out to the minister that there may be a great deal of difficulty in connection with the default on one of these loans if no time is fixed within which you propose to mark the beginning of the obligation to pay. Far be it from me to say anything in behalf of the lending institutions; they will be quite capable of looking after themselves in making the agreements. But if default has occurred, we will say, on the first or second instalment on a $1,000 loan, and they ask for payment as soon as the default arises, it does seem to me that the guarantor, in the absence of any agreement to the contrary, would have to pay, because they are not bound to exhaust their remedies against the creditor, as we have said. But the lending institutions will not be willing to wait for eight or ten months more at a discount rate of 3½ per cent. They will desire to be reimbursed as far as possible, at least to the extent of fifteen per cent of their loan, or to follow the course of collecting from their debtor, unless we do something to mark the beginning of the obligation to pay.

I do not see how we can get along with this loose—and I must call it an extremely loose —way of expressing it. I do not wish to be critical, but I believe the minister made it clear the other day that he was endeavouring to use terms general enough to permit of every case falling within it, because this is a measure not only to provide employment but to improve homes. I agree with that, but it seems to me that the terms cannot be so general as to leave them open on the one hand to abuse or on the other hand to fault finding on the part of the lending institution, which would place the unfortunate creditor in the position just now mentioned by the minister, namely that of being hounded to death. It seems to me the observations of the hon. member for Rosthern (Mr. Tucker) as to whether we should use the word "taken" or "required" would apply to the question of the taking of security, to which the minister has just referred. One means the act of the lending institution; it is a discretionary right. The other is a prohibition. That is the difference between the two. When we say "shall be required" we mean that they shall not ask him for security; but if he volunteers to give it, because of the general attitude of mind of the bank manager or the lending institution manager, that is the end of it—if he gives it. But if we say it "shall not be taken," then you have a positive enactment against it. On the other hand, the point the minister has just made, and concerning which he said he wished the opinion of the committee, is the one which arises there. We say they shall not take security, and they do not take security. There is default in the first payment, and then they say, "We want security for this loan, or we will sue."

Mr. DUNNING: That is my difficulty.

Mr. BENNETT: Of course it is. And it is not imaginary; it is a very real one.

Mr. DUNNING: Absolutely.

Mr. BENNETT: Moreover I do not think there is power under section 8 to make regulations to meet the situation. The first part of the statement of the Department of Justice was almost identical with the words I used the other day. I can put it this way to the minister: I do not conceive that it is possible for the department to provide regulations to meet these cases, unless section 8 is broad enough in conferring power upon them to do so. I cannot believe that as it reads now it has any power to deal with those things, which look very small, to which I have referred. For instance, why is it the government never likes to take bonds for contracts? Because in almost every case there is a lawsuit as to what the bonds mean, and as to whether or not a man has done everything he should under it. We find cases going to the courts, and they say, "You did not advise us; you did not do thus and so; you did not enforce your remedy"—

Mr. DUNNING: In other words, did not read the small print.

Mr. BENNETT: Yes; and our supreme court has said that in this day it must be taken that every man reads the contract he signs. My point is that section 8 is not broad enough to cover the various phases of the situation to which reference has been made.

As to section 6 there are only two points I wish to mention, one of which has already been dealt with by the hon. member for Rosthern. However, there is paragraph (e), which reads: "no service or insurance charges shall be made," and so on. I should like to go further and say: "no service, insurance or other charges of any kind shall be made." It would then read:

> No service, insurance or other charges of any kind shall be made by an approved lending institution and as long as the borrower is not in default no other additional charges of any kind shall be made.

The alteration would put the first part of the section on the same basis as the second part, because in the second part we find the expression "as long as the borrower is not in default no other additional charges of any kind shall be made." The first part covers what I conceive to be the initial charge, and I believe it should read "no service, insurance or other charges of any kind."

Mr. DUNNING: "Or other charges of any kind"?

Mr. BENNETT: I suggest that wording. I do not say that those should be the exact words, but I should like to have it made abundantly clear that in no case can the borrower be called upon to pay more than the government have arranged the lending institution should be paid. But that does not cover the case after his default—the point to which the minister has directed attention.

Mr. DUNNING: Would the inclusion of the words "no service, insurance or other charges" cover the point?

Mr. BENNETT: Yes. I do not wish in any sense to undertake to suggest how the section should be drafted. In fact I am careful not to do that because if I did, it would immediately be voted down. All I desire to suggest is that the last words would seem

to cover the point. I do not believe the section as it now reads is quite wide enough. I take it the words "no service or insurance charges shall be made by an approved lending institution" refer to the initial payment that is made when a person goes to get the money.

Mr. DUNNING: Yes.

Mr. BENNETT: Yes, that is what it means. Then the paragraph goes on to say, "and as long as the borrower is not in default no other additional charges of any kind shall be made." These words contemplate, I should think, that when he is in default other charges may be made.

Mr. DUNNING: Yes, exactly.

Mr. BENNETT: It should be made clear that when the money is borrowed in the first instance a person cannot be charged more than is provided in the measure. I think the minister should consider that. I confess I do not know what the attitude of a lending institution may be, but as it reads to-day it certainly is an invitation—or shall I go further and say it is an intimation that the lending institution will charge more when there is default.

Mr. DUNNING: Of course my right hon. friend will see immediately that when the loan is based upon a fixed rate of discount a charge after default is quite fair. In fact any other procedure would be distinctly unfair.

Mr. BENNETT: Quite.

Mr. DUNNING: Because the individual would have the use of the money, without charge, after default, having paid his discount in the first instance. The regulation at present provides for a maximum rate of interest on default not exceeding seven per cent simple interest.

Having regard to the constructive suggestions which have been made, and which I appreciate, could we arrange to get along with the bill as far as possible in committee, and then keep it in committee while I go over with the officers of the Department of Justice the various points which have been raised? Everyone is cooperating to make this a reasonably good piece of legislation, and while it is important to have it passed as soon as possible the rush is not so great that we cannot afford to take time to have it done properly. If we could agree to have the sections passed in committee we could leave the bill at that stage in order that the Department of Justice may give further consideration to the suggestions on points which have been discussed this afternoon, and which have come from various members of the committee.

Mr. BENNETT: Might not section 6 stand, then?

Mr. DUNNING: In the meantime we can settle a couple of points with respect to section 6. In the light of the amendment to which I referred to section 8, paragraph (b) of section 6 might be amended so as to eliminate the proviso, which will not be necessary. I would ask my colleague the Minister of National Defence to make a motion to this effect.

Mr. MACKENZIE (Vancouver): I move accordingly.

Mr. DUNNING: We will eliminate the proviso in paragraph (b). Then, could I have consideration of the amendment to paragraph (f) incorporating in it the suggestion of the hon. member for Rosthern, changing the word "required" to "taken," and adding the words "as long as the borrower is not in default." With these changes the paragraph would read:

(f) No security by way of endorsement or otherwise shall be taken as long as the borrower is not in default.

Mr. MACKENZIE (Vancouver): I move accordingly.

The CHAIRMAN: The question is on the amendment to section 6, paragraph (b). It is moved that the paragraph be amended by deleting the proviso thereto.

Mr. NEILL: Would it not be better to define the words struck out than simply to refer to the proviso?

Mr. BENNETT: Yes. We could use the expression "all the words after the word 'made'."

Mr. DUNNING: So long as the chairman strikes out the words, the result will be satisfactory.

The CHAIRMAN: The amendment would then read:

That all the words after the word "made" in the twenty-first line be struck out.

Mr. MACKENZIE (Vancouver): Yes.

Amendment agreed to.

The CHAIRMAN: There is another amendment moved by Mr. Mackenzie (Vancouver), as follows:

That paragraph (f) of clause 6 of the bill be struck out and the following substituted therefor:

(f) No security by way of endorsement or otherwise shall be taken as long as the borrower is not in default.

Mr. BENNETT: If I were rewriting that paragraph I would leave out the words "by way of endorsement or otherwise."

Amendment agreed to.

Mr. COLDWELL: There is one point upon which I am not clear. In reply to a question asked by the hon. member for Winnipeg North (Mr. Heaps) the minister indicated that loans on larger properties were not contemplated. Then in reply to a question asked by the hon. member for Davenport (Mr. MacNicol) I understood the minister to say that loans would be made on multiple dwellings to the extent of $5,000 for four families, the idea being $1,000 over the total number of families. Suppose there were six families, would that be all right?

Mr. DUNNING: That is all right.

Mr. COLDWELL: The absolute amount is not $5,000?

Mr. DUNNING: That was just an illustration. The distinction we are trying to make is between buildings which constitute homes, and buildings of another kind. As I mentioned the other day, it is difficult to frame regulations as to buildings used partly for home purposes and partly for business purposes. The intent of the law is to make it apply with respect to homes.

Mr. HEAPS: In order that there may be no misunderstanding, will the minister indicate whether the owner of an apartment building containing twenty or thirty apartments would be entitled to come under the provisions of this bill?

Mr. DUNNING: Certainly, if he can convince the bank that he will be able to repay the loan.

Mr. McGREGOR: Could the owner of an apartment building containing twenty apartments borrow $20,000 with which to build an addition?

Mr. BENNETT: Each $1,000 would have to be referable to a unit.

Mr. DUNNING: I am afraid I am getting into rather deep water in attempting to answer questions such as that. My hon. friends are asking me hypothetical questions with reference to matters which may come up in a practical way. This is one reason why we must have regulations. It must be remembered that this bill will not mean that the man who owns an apartment can get money; he must qualify in other ways. We are merely indicating that if the lender is satisfied with the character and the ability of the borrower to repay, the lender may get a guarantee from the government up to fifteen per cent.

[The Chairman.]

Mr. CAHAN: The minister has suggested that certain sections of the bill should be held in abeyance pending consideration by the Department of Justice of criticisms which might be offered in this discussion. In view of that understanding I should like again to call attention to the criticism offered by the hon. member for Yale (Mr. Stirling) as to the ascertainment of loss under the guarantee given by the government to the lending institution. I looked through the bill quite carefully, but I was unable to find anything which provides for the ascertainment of loss of any lending institution in the discretion of the government. If it is not in the discretion of the government as to time, then it certainly is not adequately provided for.

Mr. DUNNING: Has my hon. friend looked at paragraph (b) of section 8?

Mr. CAHAN: That reads that the minister with the approval of the governor in council may make regulations:

> (b) in the event of default by a borrower, the measures to be taken and the procedure to be followed for the collection of the amount outstanding of the home improvement loan and the method of determining the amount of loss, if any;

That is a regulation which may be imposed by the governor in council upon the lending institution in connection with its dealing with the borrower, but I suggest that that paragraph (b) does not apply to differences which may arise between the government and the lending institutions as to the determination either of the date or the amount of the losses sustained by the lending institution. I suggest with deference that there is nothing in the bill to enable the government to make such a provision in the terms of the guarantee which it gives and which the minister referred to as the agreement of guarantee.

If the chairman will permit me to refer back to a section already passed, I should like to refer again to section 4, which provides that the liability of the government in respect of guarantees shall not exceed fifteen per centum of the aggregate amount of home improvement loans made by any such approved lending institution. How is that fifteen per cent to be ascertained? Will the lending institution go on for a term of five or ten years before the losses are computed and ascertained? Must a certain period elapse before it is possible to determine that a loss has been sustained as between the lending institution and the government? I think there should

be clearer phraseology than is here used. I am simply suggesting that the minister take the opinion of his legal advisers with regard to the matter before the bill finally passes committee.

Mr. DUNNING: I can tell my hon. friend as to how we intend it to work; I cannot say whether the draftsman has made the phraseology fit the method. Section 8 (b) provides the method of determining whether a loss has occurred. Then the lending institution has the right to ask the government to make good that loss. The amount of the loss will be charged up in the books of the treasury, signifying that such and such a lending institution has received so many dollars. No lending institution will be able at any time to receive a greater amount than is represented by fifteen per centum of the amount they have loaned under this plan. I intend that it shall be possible to deal with individual ascertained losses and to pay the guarantee once the government has ascertained that a loss has actually occurred with respect to a particular case.

Mr. BENNETT: I think the minister will find it difficult to do that in view of what he said the other day, that the aggregate of the losses of every one of the lending institutions must be ascertained before you determine what you have to pay. Therefore each case cannot stand on its own merits.

Mr. DUNNING: I am sorry; if I said that I was wrong.

Mr. BENNETT: I think the minister said it in reply to the hon. member for Argenteuil (Sir George Perley).

Mr .DUNNING: What I intended to convey was that the guarantee was with respect to the whole of the loans by an institution.

Mr. BENNETT: Yes, that is right.

Mr. DUNNING: And that the guarantee applied to the institution, not to all institutions cooperatively—

Mr. BENNETT: Oh, no.

Mr. DUNNING: —but to all of the branches of one institution considered as a whole.

Mr. BENNETT: Yes.

Mr. DUNNING: I anticipate that there will be isolated cases under section 8(b) where it is dead sure that a loss has occurred. What should be done? In that case, under the provisions of the guarantee in section 4, the amount of the loss can be paid but the aggregate paid of such losses cannot exceed fifteen per cent of the amount which that institution as a whole lent. That is the way in which we want it to work. If the draftsmen have not conveyed that meaning I am sorry.

Mr. CAHAN: I merely suggest, following the hon. member for Yale (Mr. Stirling) that section 8(b) does not cover the exigency which the minister has stated. The section says that the governor in council may make regulations in regard to—

> . . . the measures to be taken and the procedure to be followed for the collection of the amount outstanding of the home improvement loan and the method of determining the amount of loss, if any.

Mr. DUNNING: That is it.

Mr. CAHAN: Certainly that should be clarified if clause (b), in connection with regulations as to the procedure to be taken for the collection of the amount outstanding, is to be united with regulations for the method of determining the amount of the loss as between the government and the lending institutions. I suggest that for the consideration of the legal advisers of the minister. I do not wish to discuss it prematurely.

Mr. QUELCH: I should like to know if I have understood the minister aright. Take a case such as this. A lending institution lends to one hundred persons. Eighty-five per cent of them pay their loans in full; that leaves fifteen per cent. The fifteen per cent represent losses; does the government make up the fifteen per cent loss so that the lending institution gets one hundred per cent?

Mr. DUNNING: My hon. friend is subdividing the matter into persons. I assume, if I caught the remarks—

Mr. QUELCH: One hundred persons get loans; eighty-five per cent of them pay their loans in full; fifteen per cent of the whole are entire losses. Does the government make up that fifteen per cent so that that lending institution secures one hundred per cent of its loans?

Mr. DUNNING: In such a case that would be the way it would work out. Of course my hon. friend states a hypothetical case which could not occur in actual practice.

Mr. QUELCH: Oh yes, it could.

Mr. DUNNING: There will be many thousands of loans made by the same lending institution, and there will be differing degrees of default. That is to say, there will be many cases in which a proportion has been paid back by the borrower, but there will be all

sorts of variants. The principle is simply this: the government is standing back of fifteen per cent of the total loans by any institution as a whole, and that institution cannot receive from the government under any circumstances more than a sum equivalent to fifteen per cent of the amount of its loans. Its losses may be greater or may be less, but the maximum amount it can receive from the government is fifteen per cent of that which it has loaned.

Mr. COLDWELL: If less, that is all the government guarantees, I suppose?

Mr. DUNNING: The government does not guarantee any more than the actual loss to a maximum of fifteen per cent.

Mr. LOCKHART: In order to be brief, I will refer only to section 6, clause (e), which states that no service or insurance charges shall be made as long as the borrower is not in default. Turning to section 8, clause (b), I find nothing that particularly defines the powers of the lending institution in the event of default on the part of a borrower. I have some experience in connection with the building industry, and I have in mind the fact that a man may become temporarily in default for a small amount, but within a period of two or three months thereafter he recovers and becomes in good standing with the lending institution. Is the matter of the penalty to be imposed upon the debtor to be left entirely in the hands of the manager of the lending institution?

Mr. DUNNING: No.

Mr. LOCKHART: There is nothing, in my opinion, which defines the point. I am not suggesting that there are Shylocks among the managers of lending institutions, but I know of cases where conditions following a temporary default have been exacted of men who have borrowed money from banks which have made it very difficult for them to make repayment. I merely point that out to the minister with the idea that a direction in that connection might be given to the lending institution.

Mr. DUNNING: Power is given to the governor in council to make regulations covering such points as that raised by my hon. friend.

Mr. TAYLOR (Nanaimo): I should like to refer to section 6, clause (f) as now amended and put a supposititious case before the minister. A borrower receives a sum of money from a bank or other lending institution for alterations which he proposes to make in his home. He contracts for the making of those alterations and the contractor fails to make good. The mechanics file liens, and a new situation develops. What is the position so far as this measure is concerned, and what is the position of the government in regard to that new situation?

Mr. DUNNING: I shall have to ask a legal friend to reply to that. I do not think the bill touches it at all. The bill deals with the borrowing of the money. A borrower's troubles with respect to securing work for his money are his business, and I assume, would fall within the laws of the province relating to such matters as mechanics' liens. I cannot give the legal answer to my hon. friend.

Mr. QUELCH: Section 6(c) of the bill reads, in part:

> Home improvement loans shall be for a term not exceeding three years if the amount of the loan is one thousand dollars or less,

I fancy that a good many small-salaried home owners will apply for some assistance. In case any such man should find himself without an income, say two years after he took out the loan, would there be any attempt on the part of financial institutions to refinance the balance over another three years? Would that be permitted, or not?

Mr. DUNNING: That can be covered in the regulations.

Mr. FAIR: Section 6, clause (d), reads:

> The maximum charge which may be made by an approved lending institution for a home improvement loan shall not exceed a rate of discount of three and one-quarter per centum for a one year loan repayable in equal monthly instalments and proportionate rates for other periods;

Two nights ago we found on our desks an attractive little pamphlet, and I became interested in what it contains. I find in it statements with regard to the organization of certain committees. One of these is the financial committee. The statement reads:

> The financial committee raises whatever necessary money may be required for advertising and other local expenses. One of the functions of that committee is to investigate the number of possible homes in the community where improvement might well be carried out. In order that the various supply houses, contracting firms, building organizations may get a clear idea of what the market for improvement is in that locality, and see at a glance its value to them, the financial committee should be ready to advise all of these supply houses as to how to approach the householder, estimate the work to be done and arrange—if necessary—for the householder to be accompanied to the bank when the loan is arranged. In some parts of the United States it was found that the contractors and supply houses (such, for

instance, as those manufacturing paints, heating and plumbing supplies, roofing materials, etc.) were the great gatherers-in of the people and their loans. The financial committee, however, might be reminded that this movement is for the improvement of people's houses and not a movement to induce people to borrow money from the bank. The bank borrowings are simply a convenient form of accomplishing the main objective, which is to get men employed through improvement of the home.

There seems to me to be some conflict there. Next we come to the women's committee, and we find:

> They exercise the greatest amount of influence in persuading the family to spend the family dollar for improvement of the home. The national women's organizations are interested in the project and whatever branches of these national organizations are located in the municipality might well be used. It is not necessary to emphasize the importance, therefore, of choosing a chairman who is sympathetic with this plan, as well as representative of social and welfare work.

Under the heading "Trouble Committee" we find the following:

> As a general thing, the chairman should be one of the most solid business men in the community, who enjoys the confidence of the banks, who is sympathetic with this idea, and who has broad human sympathies.

I have been wondering whether there is very much cooperation there. As I understood this bill the other day, before you can get a loan you must satisfy the lending institution. The lending institution must have perfect confidence in you; you must be of good character and you must have a job with an assured salary and a home. The man without a salary or without a home is not in on this deal at all, but only the man whose salary is assured, who has a home and has sufficient credit to go ahead on his own. But I would refer to a particular type of man who might come under this legislation, the man who receives a salary just sufficient to get by on and to pay his taxes or his rent as the case may be, and whose home is also mortgaged. In a bank the other day I was told that possibly seventy-five per cent of the people under this plan have mortgaged homes. Under this plan no security is needed, but there is no guarantee whatever that as soon as the improvements are made and the loan is repaid the mortgage company, if the man defaults, will not take the house after it has all been fixed up and the payments have been made to the financial institution. There is no cooperation whatever as far as the lending institutions are concerned.

Borrowers may obtain money at a discount of 3¼ per cent. I think it might be better to put it the way people are accustomed to see it stated—an interest rate of 6.32 per cent. That does not show any cooperation, because it is very little below the legal rate at which the banks may lend money. I suggest that instead of the 3¼ per cent the discount be reduced to 2 per cent; the banks would thus be given an opportunity to cooperate in a practical manner. If this is not satisfactory, then I suggest that the country's credit might be used, and we might make use of the Bank of Canada in this regard. This would be far better business than following the sound money policy which is adhered to in this plan.

Mr. TUCKER: There are three points which I wish to draw to the attention of the minister. The definition of home improvement loan is given in paragraph (b) of section 2:

> (b) "home improvement loan" means a loan or a purchase of obligations representing loans and advances of money made for the purpose of financing repairs, alterations and additions to rural and urban homes.

It may be rather late to suggest any change here, but I would ask that the minister consider the possibility of amending this definition so as to include the building of small homes. I have in mind some people in Rosthern who might build small homes that would cost say $1,500, which would provide as much labour by an expenditure of the same amount in improving an old home. But they cannot come under the scheme if they want to put up new houses. I suggest that some consideration be given such people.

There is another point namely with respect to default. When there is default and the bank calls upon the government to make good, what becomes of the debt? There is no provision in the bill to enable the government to collect later on if the debtor should become able to pay. I submit that the bill should contain some provision in that respect, because there might be a doubt.

Mr. ILSLEY: It would be recovered by process of law.

Mr. TUCKER: There might be some doubt about it, and I do not see that there is any harm in making provision for it in the regulations.

Mr. DUNNING: What about paragraph (b) of section 8?

Mr. TUCKER: I submit it does not cover the point at all in the event of default and the payment of the guarantee by the government. In my opinion the government's position is not secured by paragraph (b) of section 8, and I submit that it should be made clear.

The third point to which I wish to call attention is this. I understand, from para-

graph (e) of section 6, that no service or insurance charges shall be made by a lending institution at any time, and as long as the borrower is not in default no additional charges of any kind shall be made. That section is not worded very clearly. I assume the intention is that no service or insurance charges are to be made at any time, whether the borrower is in default or not, but that after the borrower is in default some charges other than for service or insurance may be made. What I think the government must have had in mind is that an interest charge be made. I understand from the minister that there is a clause in the regulations providing that interest may be charged not exceeding seven per cent. The difficulty is that there is no provision in section 8 for fixing that interest charge.

Mr. DUNNING: In section 8 provision is made with respect to the form of note, and what shall be in it.

Mr. TUCKER: Well, there is nothing in section 8 that says it very definitely. If it is the intention to restrict the lending institutions merely to charging interest, to keep them from piling up other charges, there should be something put in to the effect that when the borrower is in default no additional charges of any kind shall be made except interest on the amount overdue at a rate not exceeding that fixed by regulation under section 8. That would make it certain that they could not charge anything but interest, and would give the minister power to fix the rate. Those are the three suggestions I offer.

Mr. CAHAN: There is one observation I was about to make before the last member spoke. This guarantee is given by the government but it is not a guarantee against default. The guarantee has really no exact relationship to default.

Mr. DUNNING: To ultimate loss only.

Mr. CAHAN: The guarantee is against ultimate loss. Before the ultimate loss of the bank in respect of any single loan can be determined the bank must exercise all its legal rights in respect to the collection of that loan. I suggest that the bank would find it necessary to bring suit, to obtain judgment, and to execute the judgment upon whatever property the borrower may own. Therefore no liability arises on the part of the government until the bank has made a loan, there has been default by the borrower, and the bank has exercised all its legal rights for the collection of the loan, and after exercising all its rights of recovery it has been ascertained that there is a definite specific loss.

Mr. ILSLEY: Is not the hon. member ignoring the provisions of section 8 (b), which states that the minister may, with the approval of the governor in council, make regulations governing the method of determining the amount of loss? The hon. gentleman assumes that there is to be an action and judgment, that the loss has to be determined in a certain way. But I should think from the wording of this provision that the minister with the approval of the governor in council may provide that a loss may be determined by a method shorter than or different from that outlined by the hon. member.

Mr. THOMPSON: Suppose a borrower goes to a lending institution, and his proposal to borrow a sum of money is accepted, will he get the money and be able to take it away with him, or will the money be paid by the institution only when he produces receipts showing it was expended as it was supposed to be? Suppose the property is an apartment house containing twenty apartments. If the owner could borrow $1,000 on each and go out with the money in his hand, what guarantee has the lending institution that the money will be spent as it was the intention it should be?

Mr. DUNNING: That is the business of the lending institution in determining the credit-worthiness of the person who borrows the money. I cannot say anything other than that.

Mr. HOWDEN: But the government undertakes to make good some of that money. That point has been worrying me. I assume the lending institution would protect itself, but at the same time in case of loss the government would be out a certain amount of money. It seems to me the government should have some way of knowing that the money actually goes into the enterprise.

Mr. BENNETT: The answer is that the lending institution has an eighty-five per cent interest as against a possible fifteen per cent on the part of the government.

Mr. DUNNING: We have penalties, but that may not be considered much protection. The chief protection, after all, is the fact mentioned by the leader of the opposition (Mr. Bennett), that the lending institution, assuming there is a one hundred per cent loss, will lose eighty-five per cent. And in the event of any crookedness, you could not assume that after something improper had been done the man who did it would repay eighty-five per cent. Any policing in the manner suggested by the hon. member for St.

Boniface (Mr. Howden) would, I am sure, cost more than would be practicable. This scheme involves hundreds of thousands of small loans. As I said the other day, the average loan so far is $380. To contemplate the setting up of inspection machinery to ensure that an average loan of $380 is spent precisely for the objects for which it was granted—it is unthinkable.

Mr. BENNETT: They might have to appoint inspectors under the civil service commission.

Mr. HOWDEN: That is not the whole point. There is still the question not only of the money not being repaid but of its not going into the enterprise for which it was borrowed.

Mr. BENNETT: There is that possibility.

Mr. BROOKS: It occurs to me that since the bank is guaranteed up to fifteen per cent it will make every effort to collect the eighty-five per cent. But has the government any guarantee that it will make the same effort to collect the remaining fifteen per cent? I ask that in view of the reputation which has been given to the banks in this house in the last three or four weeks; it causes me to doubt whether they would exercise the same care in collecting money for the government as they would for themselves.

Mr. BENNETT: It seems to me the first question to decide is whether or not the power to prepare regulations is extensive enough to enable the regulations to be prepared, and, second, what kind of regulations shall be prepared.

Mr. CAHAN: And what is their effect. They have no legal effect under this bill.

Mr. BENNETT: If the first point is dealt with adequately, the second also will be dealt with adequately. The first question that suggests itself to me is: What are the provisions of the agreement between the lending institution and the guarantor, the government, as to what is to be the result of default; (a) as to granting further time—that has been covered by what has been done here to-day; (b) as to the effect of default in payment of one instalment upon others. Shall the others come due, for instance? And it seems to me the third question to be decided, after you have settled those, is, shall the position of the guarantor, the government, be that of the bank as soon as default has been made, and payment of eighty-five per cent of the aggregate loan provided; shall the bank make an assignment to the government of its position—that is, shall there be subrogation, and is there any provision for it? I cannot conceive of anything worse than that the government should be mixed up in any sense in the matter of endeavouring to collect fifteen per cent of $380 in various parts of this country. I say that very frankly; I think it would be an absurd position. Then that question of the agreement between the bank and the guarantor is the all-important question on that side of it.

Mr. DUNNING: Agreed.

Mr. BENNETT: I say this with deference, but I think the Department of Justice can take section 8 and make it clearer than it is now. The point made by the hon. member for Rosthern, it seems to me, should be dealt with clearly by making it apparent in the statute itself that while the loan is not in default no charge is to be made for anything except such charges as are provided by that statute.

On the second point, in view of the recent decisions of the privy council I do not see how we can possibly go so far as to say that the bank, in its relations with its debtors, cannot do as it pleases when they are in default. Mark you, we do not make the loan; the bank makes the loan, and the rights as between the bank and the man who borrows from the bank have not been changed by anything we are doing. All we do is to say that when there is a loss of fifteen per cent in the aggregate of the loans thus made, we will pay fifteen per cent. That is the whole story. We have not substituted our discretion for that of the bank manager. He still has to be accountable to his head office for his discretion, as he always has been. He still has to determine whether or not it is a good risk to take, morally, and whether the character behind it is worth while. The only thing he does not do is to require security. It may be that the property is mortgaged; in many cases that will be so. The very reason this measure is being brought in is to enable some of those cases to be dealt with.

We must bear in mind, I say to the hon. member for St. Boniface, that the government cannot possibly police these loans. It would be idle to expect the government to have some one running around to see that fifteen per cent of a loan of $300, which amounts to $45, is being properly spent; for our responsibility in connection with that fifteen per cent would involve the spending of more than that amount in connection with inspection. If we did it on the basis of patronage I imagine it would be very desirable in some ways. I see my hon. friend from York North

smiling. He lives near a large urban riding, and he would have a great many inspectors to appoint, but the civil service commission will look after that.

Leaving that aside for the moment, however, I think we should look upon this as a remedial measure which must be construed in the widest possible way. All that happens is that somebody goes into a bank and applies for a loan to be paid back within a specified time in monthly instalments. The bank has to do what all banks have done heretofore; it has to determine whether or not it will take the risk, and the only thing that makes this transaction at all out of the ordinary is that we say that if the banker makes a bad guess, and has not taken security—or as we say he shall not—at some time we are going to pay fifteen per cent. I think there should be a cut-off date specified, as was suggested by the hon. member for Yale (Mr. Stirling), but in any case we say that we will pay fifteen per cent.

Mr. KINLEY: Of the aggregate.

Mr. BENNETT: Of course. That is the story.

Mr. KINLEY: That is much different.

Mr. BENNETT: Of course, because there might be a one hundred per cent loss in one place which would be made up by a one hundred per cent recovery in another place. That, I take it, is why the minister has made it the aggregate.

Mr. DUNNING: The administrative cost of the other method would put it completely out of court.

Mr. BENNETT: Quite so. That is the position, and I think section 8 can be improved to the extent of making it clearer than it now is that the granting of power to the government to enact legislation by order in council is sufficiently ample to satisfy every reasonable requirement in an agreement between the lending institutions and the government.

While I am on my feet I direct attention to the fact that the government have seen fit to depart from that great principle upon which the whole foundation of responsible government is built, by making provision for taking money out of the consolidated revenue without any appropriation. That is a catastrophe. If you have any doubt on that subject, Mr. Chairman, I recommend that you read the speeches of the present Prime Minister (Mr. Mackenzie) King) at any time during the period from 1930 to 1935, together with a few caustic comments by the hon. member for Comox-Alberni (Mr. Neill).

[Mr. Bennett.]

Mr. COLDWELL: There is one question I should like to ask the minister in regard to these guarantees. Let us suppose that a man repays fifty per cent of the loan and then defaults and pays nothing further. This loss is included in the amount which the government ultimately guarantees and pays. Does that mean that the original owner of the property who has made the improvements and who owns them pays nothing further for them, or does the lending institution step in and obtain possession of the property while the government still has to make up the loss? That is rather a tangled sort of question; it is over-simplification on my part, but cases of that kind will arise, and I should like to know what will be the position.

Mr. DUNNING: Let me see if I can follow my hon. friend's supposition. A borrower repays fifty per cent, and he does not pay anything more. Then the question is to determine whether or not that is an ultimate loss. The regulations must provide that the bank shall take all reasonable measures of collection having regard to the amount to be collected. The bank would not be allowed to engage the hon. member for St. Lawrence-St. George, for instance, to prosecute in the case of a $50 debt, or my hon. friend the Minister of National Revenue, or any other lawyer whose employment would involve expense greater than would be reasonable in connection with the collection of such a small amount.

Mr. BENNETT: Why deprive them of good lawyers?

Mr. DUNNING: I am advised that one of the first things good lawyers learn is how to charge.

Mr. HEAPS: Are high charges made only by good lawyers?

Mr. DUNNING: That is not a question to address to me, and I prefer to be excused from answering it. But if I can make it clear to my hon. friend from Rosetown-Biggar (Mr. Coldwell) this is the whole point: Is the remaining $50 lost?

Mr. COLDWELL: Fifty per cent.

Mr. DUNNING: Yes; that is $50 on a loan of $100. The regulations must provide a manner of determining definitely that it is lost. The government does not propose to pay its guarantee without being sure that every reasonable method has been adopted to avoid loss and to collect everything that can be collected. But on the other hand that does not

mean that we would encourage the expenditure of a greater amount than the sum to be collected in an attempt to recover that sum.

Mr. BENNETT: The member for the constituency will look after that.

Mr. DUNNING: I hope the member for the constituency will keep his hands out of it completely.

Mr. BENNETT: But your literature says he will be the first man in it.

Mr. CAHAN: There is nothing in this measure that provides for any expenditure on or any charge by the lawyer. That evidently did not enter into the contemplation of those who drew up this bill. Where the loss arises is in respect of a loan, and a proportion of the loan being lost. At the moment I wish to state simply that I cannot accept the construction placed upon section 8(b) by the Minister of National Revenue. I think when these sections are reconsidered by the Department of Justice the point I made should be taken into consideration, because loss is not necessarily incurred upon default. As the minister now admits, the loss is the net loss after reasonable remedies have been taken to recover the loan in whole or in part. Paragraph (b) does not clearly refer to the measures to be taken and the procedure to be followed. These are not apt words, I suggest, to determine what remedies are to be taken. I think the word "procedure" is not sufficient to govern, and, second, regulations made by order in council have no more force in law than regulations made by the minister or by any individual. No provision is made which gives these regulations the force of law, and that omission should certainly be considered.

I disagree with my right hon. leader in this respect, that I consider the making of these regulations is not legislation by the government, because in this measure the government have not taken any authority to give force of law to the regulations they make. Such regulations, if made under this section, would, I suggest, be so much waste paper.

The CHAIRMAN: Shall section 6 as amended carry?

Mr. McGREGOR: No.

Mr. BENNETT: I thought it was to stand.

Mr. DUNNING: It would be well to let sections 6 and 8 stand. Section 6 is amended to this point. We shall permit sections 6 and 8 to stand, in order that I may again take up the suggestions with the Department of Justice. In deference to the officers of the department may I say to the committee that in drafting the bill they have had the advantage of watching the actual problems arise after two months' administration of the plan, and have had the further advantage of seeing the experience in the United States in the administration of a similar program. Of course, as always, I am in the hands of my official legal advisers with respect to the ultimate drafting of the measure. I thought it well to invite the committee, and particularly the legal members of it, to make suggestions, and such suggestions I shall be glad to refer to the proper department. The measure will be returned at a later date with such further amendments or reasons for not amending it as may commend themselves to the law officers.

If that arrangement is satisfactory, and if hon. members are content with the discussion thus far on section 6, we shall allow it to stand, with the amendments made. When we reach section 8, I shall be pleased to allow it to stand also, in order that the points raised by the hon. member for St. Lawrence-St. George in connection with paragraph (b) may be considered.

Mr. BENNETT: Of course the law officers have had nothing to do with the question of default. We are now talking about remedies. They have not yet had anything to do with them, I hope.

Mr. DUNNING: It is a little early for that.

Mr. McNIVEN: Does the minister consider there is any conflict between paragraphs (c) and (d)? In paragraph (c) the expression is "and shall be repayable in convenient periodic instalments," and in paragraph (d) it is "repayable in equal monthly instalments." I raise the point because committees in Saskatchewan have been endeavouring to interest farmers in this important plan, and on every occasion we are met with the statement that farmers are not in receipt of a monthy income, and that their income is periodic. Therefore they would like to have a plan which would permit payment every two, three, four or five months. On reading paragraph (c), it occurred to me that that was the intention, but in paragraph (d) there is a reference to repayment "in equal monthly instalments."

Mr. DUNNING: I think the hon. member has misread the paragraph. Paragraph (d) sets up a maximum charge. In order to set up such maximum charge, the time of repayment must be specified. The hon. member will note the paragraph continues with the

words "and proportionate rates for other periods." The three and a quarter per cent discount with respect to a one year loan is the measuring stick by which the discount rate to be charged for all other periods must be measured. That is the reason for paragraph (d) following (c). With regard to loans made under repayment conditions varying from the monthly period, may I tell the hon. member that in rural districts many loans are now being made in which the periods of repayment are being adjusted to the expected incomes of the farmers. But the measuring stick as to the discount rate is paragraph (d), and such discount rate must not exceed a rate of three and a quarter per cent when payments are monthly.

Mr. O'NEILL: Has it been found impossible or impracticable to determine the loss in each individual case or to judge each individual case by itself, in place of judging all cases in the aggregate ?

Mr. DUNNING: Each individual case will be dealt with by itself, but the application of the guarantee will be based upon the total sum lost, spread over all the loans. In one case the loss of the bank may be 100 per cent; in another case it may be only ten per cent, while in another there may be no loss at all. Each case must be proved. But in measuring the extent to which we will repay the lending institution, fifteen per cent of the total they loan is the limit to which the repayment may go.

Mr. O'NEILL: That is clear. The way it appears to me, however, is that by this manner of reckoning the government will have to pay more money than they would if they paid fifteen per cent on the loss which takes place in each case. If a man paid back 100 per cent, this would be all right, but if he paid back only fifty per cent they would be paying only on a fifty per cent loss. If he did not pay anything, the government would pay the fifteen per cent. When we reckon the whole thing in the aggregate, it seems to me that in most cases the government will have to pay. After everything is said and done, they will be paying nearly all the loss. I am not a banker, but that is the way it appears to me.

Mr. DUNNING: In that connection I can only advance the experience of the United States. They have a plan which involves a twenty per cent government guarantee, carrying a five per cent discount rate, or a rate almost double that in Canada, and after three years of operation their aggregate losses are less than two per cent. This is a new venture, so far as we are concerned, but it would appear from the experience in the United States that the hon. member's fears are apparently unfounded.

Mr. BENNETT: But the position there is vastly different.

Section 6 stands.

Section 7 agreed to.

Section 8 stands.

Section 9 agreed to.

On section 10—False statement or improper use of loan.

Mr. DUNNING: There is one amendment to section 10 which will be apparent to all hon. members who look at the bill. The last word in line thirty-four is "and" and it should be "or." The change should be made.

Mr. MACKENZIE (Vancouver Centre): I move accordingly.

Mr. TUCKER: This brings up the point I mentioned. Why cannot this bill be made to apply to a man who wants to borrow money with which to build a new home? In the constituency which I have the honour to represent there are people who own lots who have said to me that the only interest they have in this bill is the possibility of being able to borrow money to put up a small new home. If the idea is to promote employment, I cannot see why the bill should not be made to apply to the man who wants to borrow to put up a new home.

Mr. DUNNING: It would require a different statute altogether to provide for housing. In my judgment it would be quite impracticable to combine housing with home improvement. The situation in each case is quite different.

Mr. HEAPS: Has the government any intention of amending at this session of parliament the present housing act?

Mr. DUNNING: I am afraid my hon. friend will have to wait for an answer to that question.

Mr. TUCKER: I do not want to disagree too much with the minister.

Mr. DUNNING: The hon. member is at perfect liberty to do that; that is his privilege.

Mr. TUCKER: The basis of this bill is the personal liability of the individual borrowing the money. If a man is good for $2,000

to improve a house, why should not a man who owns a lot be good for a similar amount to build a new house? I cannot see how this would complicate matters, although I may be overlooking something. The government says to the banks that it will guarantee up to fifteen per cent of the loans made, providing the money is used to improve existing houses. How would it complicate things to say that the government will also guarantee loans made if the money is used to build a new house? What, in essence, is the difference between a man borrowing $2,000 to put up a little house on a lot which he owns, and a man borrowing $2,000 to improve his house? The same employment will be created. A man may have a home worth only $500 and may want to borrow money to improve it to make it worth $2,000. The question of security does not enter into the matter as the loans are to be based entirely upon the personal obligation of the borrower. All that is needed to make this bill apply to loans for new buildings is two small alterations in sections 2 and 10. I do not believe that during the next three years there will be expended under this act anything like the $50,000,000 expected, but if the legislation were made to apply to new buildings I am sure there would be twice as much expended as will be the case under the act as it stands. The idea is to provide employment and I think consideration should be given to this matter. Several people in Rosthern constituency have said to me that if they could borrow $2,000 they would erect new homes on lots which they already own. This bill as it is now will be of no use to them at all. If this bill is worth while, it should be worth while giving consideration to the extension in its scope in the way I have mentioned.

Mr. DUNNING: I can only repeat what I said before, that the principle is an entirely different one. It would involve the consideration of many factors other than those which apply in the case of home improvement. For instance, it would involve the consideration of the term of the loan. The term provided for by this bill is five years, and it is questionable if a man borrowing to erect a new home would be able to repay the loan in five years. May I suggest to my hon. friend, who is a lawyer, that the legal members of this committee would no doubt have numerous points to raise if I attempted to add to this bill provisions with respect to building new homes. Consideration would have to be given to the provincial powers with respect to property and civil rights and all that sort of thing. For instance, this is something that occurs to me as a layman and I put it to my hon. friend who is a lawyer. This bill provides that the man who borrows money shall give no security. What is to prevent such a man from borrowing money with which to build a new home and then after the home is completed, putting a mortgage on it? I know my hon. friend will say that we could legislate against that, but I mention that as one of the considerations which would enter into a change in the principle of this legislation.

Mr. BENNETT: Or he might sell it.

Mr. DUNNING: He might even sell the home. I submit that to ask for a complete change in the principle of this bill when it is in committee is something which should not be entertained. I respectfully submit to my hon. friend that he is out of order. If he had wanted to include a housing scheme in this home improvement legislation, the proper time to have done so was on the second reading or, better still, when the house was considering the financial resolution preceding the bill.

Mr. TUCKER: The limit of a loan under this bill is $2,000. I suggest that a man can repay $2,000 borrowed to erect a new home just as well as he could repay $2,000 to improve an old home. There would be no difference in his ability to repay.

Mr. DUNNING: The hon. member is speaking of different men. The man who could borrow $2,000 under this bill would be a man who, in the judgment of the bank, was able to repay that amount within the time limit. Remember he has a home and is borrowing $2,000 to improve it. The other man would be presumably starting from nothing.

Mr. TUCKER: But the man who borrows under this bill may have his home mortgaged up to the hilt. What is the difference between a man who has his home mortgaged up to the hilt and a man who owns a lot outright and wants to erect a new home? Suppose a man has a shack worth only $200. He can borrow $2,000 to improve that shack. There is nothing in the world to prevent him from then turning around and doing what the minister has suggested might be done, mortgaging the improved shack or selling it. There is no difference in principle between the man who has a small shack and wants to improve it to the extent of $2,000 and the man who has a vacant lot and wants to put up a new house

on it. I know of no difficulty in the law of the provinces standing in the way, although I may be wrong. If a difficulty can be pointed out, I am ready to defer to it.

The CHAIRMAN: An amendment to section 10 has been moved by Mr. Mackenzie (Vancouver), as follows:

That section 10 of the bill be amended by replacing the word "and" with the word "or" in line 34.

Amendment agreed to.

Mr. NEILL: Does not the minister think the minimum penalty of $100 is rather steep? There is a possibility that a magistrate will hesitate to impose such a penalty. The case may be a borderline one based upon a technicality. I admit that a man who makes a deliberately false statement on an application which amounts practically to an affidavit should be penalized, but there is power to punish such a man under the maximum penalty. I have been a magistrate myself and I know that when the minimum fine is too high it is hard to get a conviction.

Mr. DUNNING: I am in the judgment of the committee on that point. I think there is some force to what the hon. member for Comox-Alberni (Mr. Neill) has said.

Mr. NEILL: There may be a mere technical evasion or violation of the act. The local bank manager may have made an error and been blamed by his higher authorities; he looks over the application, which he probably wrote himself and an uneducated applicant signed, and he sees that some statement which is made therein is not actually or entirely true, or that the man deviated from the requirements in some trivial condition such as, instead of having used the money entirely for repairs and alterations to his home, he did something which is technically a little outside, such as putting up a rabbit-hutch or a chicken-pen. So the manager gets back at this man and threatens that "if you don't do this or that I will lay an information against you, and remember, you will be liable for not less than a hundred dollars." That is the position as I see it. As the minister said he would be kind enough to take the opinion of the committee in this case, I would move a reduction of the penalty to a minimum of twenty-five dollars, with the maximum not more than five hundred dollars.

Mr. DUNNING: Leave the maximum as it is and reduce the minimum?

[Mr. Tucker.]

Mr. NEILL: Yes.

Mr. BENNETT: I think it would be desirable to abolish the minimum penalty. "Not less than. . . . . " has always been found not to work very well; I shall put it as mildly as that. If the clause read, "liable to a penalty not exceeding five hundred dollars," you would get the discretion of the magistrate, and that is the way most of the criminal code sections read. In addition, there is no doubt that, even without this provision, under one of the sections of the criminal code an offender under the section would be liable for having obtained money by misrepresentation. My personal view is that it would be better to say "a penalty not to exceed five hundred dollars."

Mr. DUNNING: I am willing to accept an amendment as suggested by the hon. member for Comox-Alberni.

Mr. NEILL moved:

That in section 10, line 38, the words "one hundred" be struck out and "twenty-five" substituted therefor.

Section as amended agreed to.

Section 11 agreed to.

Progress reported.

CANADIAN RED CROSS SOCIETY

Hon. IAN MACKENZIE (Minister of National Defence) moved the second reading of Bill No. 14, to amend the Canadian Red Cross Society Act.

Motion agreed to, bill read the second time, and the house went into committee thereon, Mr. Sanderson in the chair.

On section 1,—Central Council.

Mr. BENNETT: Is not the word "given," in subsection 4, a poor word to use in connection with the conferring of powers? The subsection reads:

The executive committee shall have and exercise all the powers given by this act.

Mr. MACKENZIE (Vancouver): The act was drafted by the legal officers of the society and was then referred to the law officers of the crown.

Mr. BENNETT: I know. But one never says that powers are "given."

Mr. DUNNING: "Conferred."

Section agreed to.

Bill reported, read the third time and passed.

CANADIAN NATIONAL RAILWAYS

REVISION OF ACCOUNTING SET-UP

Hon. C. D. HOWE (Minister of Transport) moved the second reading of Bill No. 12, to provide for revision of the accounting set-up of the Canadian National railway system.

He said: A complete explanation of the purpose of the bill was given, I think, in committee on the resolution. At that time I stated that one purpose was to consolidate the component parts of the Canadian National system into one balance sheet. I think the importance of that action cannot be discounted. At the time of the Duff report the component parts of the system included some 130 separate corporations. Since then the number has been reduced to about 100 separate corporations, and the work of further reducing these numbers will be made considerably easier if all parts can be consolidated in one corporation. This the bill will effect.

Mr. BENNETT: Surely that is not what this bill is. The minister is not serious in saying that this bill consolidates the constituents in one corporation.

Mr. HOWE: We shall say that it brings them into one holding company with one balance sheet.

Mr. BENNETT: But the balance sheet issued by the Canadian National Railways is a single balance sheet.

Mr. HOWE: It is; nevertheless there are at the present time three separate corporations. As I explained, the Canadian National Railways as a corporate structure includes the old Grand Trunk railway and some sixty of its subsidiary companies, and quite a separate corporation is the Canadian Northern Railway Company with some forty subsidiaries. It is a separate corporation in every way, the stock of which is owned by the Minister of Finance, just as the stock of the Canadian National Railways is owned by the Minister of Finance. There is no connection between the two corporations except that they have a common board of directors. As I pointed out before, owing to the fact that the government does its financing, and its refunding as well, for both corporations, through the Canadian National Railways, the debt of the Canadian Northern is being gradually transferred to the Canadian National Railway Company, an entirely distinct and separate corporation. As I say, this bill will bring these roads under one control and the board of directors of the Canadian National Railways will be ipso facto the board of directors of what is now the Canadian Northern railway. The Canadian Northern Railway Company will disappear as a separate entity.

With respect to the writing down of the accounts of the railway, I may say that the bill, which has been distributed, is susceptible of analysis as to just what is contemplated in that regard. As to the discussion of the details of the bill, I believe the standing committee is the proper forum for the purpose. Expert accountants will be in attendance and it will be possible for the committee to go minutely into the various items that are set out. I took little exception to the remarks of the leader of the opposition (Mr. Bennett) when the resolution was being considered in committee. He then pointed out that a record should be kept of the sums invested by the dominion in its railways. In my opinion the method of doing this is one which must engage the attention of the committee. It is perfectly clear that, once we set up a balance sheet which cannot be questioned as to what is intended, this balance sheet should not be beclouded by reference to items which are now a part of the national debt and which will be so treated. I believe a schedule can be set up that will preserve the historical record, and this schedule can be made part of the annual report of the Canadian National Railways. That perhaps will satisfy the purpose as to a record.

I do not believe anyone will question the fact that the duplication as between the railway accounts and the public accounts should be eliminated. There may be those who take a different view as to the manner in which this duplication should be eliminated, but in my opinion there are only two ways in which this can be done; one is to take the duplicated items out of the railway account and the other is to take them out of the consolidated debt of Canada account. By taking a billion and a half out of the consolidated debt we could render the task of the Minister of Finance very much easier for this particular year.

Mr. BENNETT: The interest has to be paid just the same.

Mr. HOWE: It would give him a substantial credit in his next annual budget. I believe that a great deal of misunderstanding arises through duplication. The intelligent taxpayer of Canada is naturally concerned as to what his taxes are used for.

He is told that a certain proportion of the taxes goes to the servicing of the national debt. He is then informed that the losses of the Canadian National Railways in cash are so much; that is, that the taxes of the current year are charged a certain amount to make up the sum which must be turned over to the Canadian National Railways to keep it going. In addition to that, he learns that a mysterious sum shown in the statement of the railways is also a liability, and I believe most of the confusion with respect to the true position arises in connection with this additional sum shown as a loss which the railway does not pay. When the annual statement is brought down, there are newspapers that carry an alarming story about the situation disclosed by the account of $40,000,000 or $50,000,000 charged up to the system, and most people have the idea that there is some intermediate amount somewhere between the amount they are taxed to service the national debt and the amount they are taxed to hand over to the railway for its losses. If this bill passes as drawn there will be no longer a question about that intermediate amount; the taxpayer will know that when he services the national debt and provides funds to be turned over to the railway for the indebtedness which must be paid by them, the whole story has been told as far as the position of the dominion and its taxpayers is concerned.

Some extraordinary charges are made with regard to this situation. A few weeks ago there appeared in Ottawa a man, a student of railway affairs, who used some extraordinary language about this proposed adjustment of the balance sheet. He spoke of "perfidy, to the public welfare," of "votes of the unthinking masses," of "pure deception," a "dissembling of the real facts," and "political debauchery run riot." I cannot think that there is anything in what we are doing to warrant any of these charges. The operation is a perfectly simple one. We are removing this duplication between the public accounts and the accounts of the Canadian National Railways, the latter being the property of the taxpayers of Canada. I do not think I need dwell on this any longer.

As I have said, the exact method of carrying out the intention of the bill will come under the complete review of the committee, who will report back to the house. The record of exactly what has been spent by the public in connection with the railways may tell a story, but it is by no means a complete story of what the public has spent on transportation. I have had a review made of the public accounts showing appropriations for transportation, and in this connection I wish to make this statement. In the situation of transportation to-day it is hardly fair to single out the railways for treatment different from that given any other form of transportation. Whereas twenty years ago the railways were the dominant factor in transportation—they then carried so large a percentage of the whole that the amount transported by other means was not very important—to-day the railways are only one factor in transportation and no longer the dominant factor.

In looking over the public accounts I find that from time to time sums up to $1,506,000,000 have been advanced to the component parts of the Canadian National railways and to that railway itself. That sum is without interest; the interest, I suppose, would amount to about another $600,000,000. I also find that the sum of $104,000,000 has been paid in cash to the Canadian Pacific railway and written off. The interest on that, as it goes back a great many years, would have been perhaps another $300,000,000.

Mr. BENNETT: It is not correct to say it was written off. Part of it was subsidy.

Mr. HOWE: Well, it was cash paid to the Canadian Pacific railway.

Mr. BENNETT: That is better. It was not a loan.

Mr. HOWE: I accept the correction. We also find from the public accounts that the sum of $1,257,000,000 has been paid for waterways and shipping. Let us not worry too much about a write-off on the railways when we have already forgotten—or at any rate we say very little about it—that vast sum which has been written off for waterways and shipping.

Mr. DUNNING: Not written off.

Mr. HOWE: Well, charged to the consolidated debt, where it does not appear each year to worry us about the expense of our shipping.

Mr. BENNETT: It does appear in the report of the Department of Railways and Canals.

Mr. HOWE: Well, I think that has a very small and select circulation. Then I find that we have paid directly for the construction of highways the sum of $64,000,000, and that in the short time we have been concerned about aviation and aids thereto in the way of radio services and so on we have spent another $15,000,000.

Mr. BENNETT: Does that include the radio stations for navigation?

Mr. HOWE: No; they are in shipping. So as far as the record of the sums invested in the Canadian National Railways is concerned, I do not believe that is so important in the general scheme of things except for one reason, namely that this railway is competing with a privately owned railway which stands on its own feet. We must not forget that prior to the war we had three privately owned railways in Canada; to-day we have only one. The reason we have a problem with our own railway is largely that the other two privately owned railways were not able to meet the situation brought on by the war. I think in fairness to its private competitor that record should be kept, and I believe a way will be found by the committee to set up a record in a manner that will meet the suggestions which have been made along that line.

Something was said about the position of the South African railways. Their position is extraordinarily favourable for a government owned utility. But I wonder whether the people of Canada would be satisfied to have our railway operated along similar lines. First, we must remember that the South African railway has a complete monopoly, while our railway operation is highly competitive. In 1935 the South African railway was able to obtain a surplus of $27,000,000 after interest charges were paid and a charge of $10,000,000 made for depreciation, while in the same year the Canadian National Railways had a cash deficit of $47,000,000 after payment of interest due to the public but not to the government. We find also that the revenue per mile of the South African railway was $11,061, whereas the revenue per mile of the Canadian National is only $7,322; in other words the revenue per mile of the South African railway is 50 per cent greater than on the Canadian National Railways. If we could somehow obtain a 50 per cent increase in revenue per mile we could not only meet our debt to the public but have a small surplus in addition. Expressing it in another way, we contribute the amount to the public in the way of low freight rates, the lowest in the world, rather than have the surplus which the South African railway enjoys. I might also mention that the employees of the South African railways are about 30 per cent native, or non-European.

Mr. BENNETT: More than that.

Mr. HOWE: But to me this is the interesting thing about South Africa: I wish it were something that the public would take note of seriously. One provision of their railway act is that the mileage of 11,292 miles operated by the government is protected against wasteful and uneconomic competition in areas adequately served by the railway. Such areas are defined by proclamation under their Motor Carrier Transportation Act. Even taxis cannot operate a regular service between particular places without permission. I wonder whether our people would be satisfied with that. To-day Canadians have the option of travel by rail or motor. If the house thinks they do not appreciate both, hon. members might examine some of the cases heard before the railway board where the railways wished to abandon a branch line, where all the traffic was going to the trucks. In South Africa, if a community has a railway, or if a railway serves any section, service by any other means is absolutely prohibited.

Yet it is interesting to note that the writing off of capital is a live subject there, as it is here. In the report of 1935 it is stated that:

> The board of management have asked the government to reduce the capitalization by some $110,000,000 covering costs prior to union.

We come to the Australian railways, and find there a much more serious situation than in South Africa, quite as serious, I think, as we have in Canada.

Mr. BENNETT: Except that they are state systems, not one system.

Mr. HOWE: Yes; they are state systems, and highly competitive. We have the South Australian railways operating with a deficit, for 1935, of $3,866,343; the West Australian railways, with a deficit of $484,100; the Queensland railways, with a deficit of $573,000, the New South Wales railways, with a deficit of $6,248,700; the Victoria railways, with a deficit of $2,436,375, the New Zealand railways, with a deficit of $6,076,000; the Tasmanian railways, with a deficit of $1,554,700.

Yet the earnings per ton mile for the Australian railways average about four dollars, whereas the figure for Canada is 99 cents. In other words, our freight charges are about one-quarter of the freight charges of Australia.

The Victoria government has decided to reduce its railway capitalization by £30,000,000, or $146,000,000. The report of the Victoria railway commissioners for the year ended June 30, 1936, reads in part as follows:

> We are gratified to know that the government has decided to introduce legislation for the purpose of transferring approximately thirty millions of railway loan liability to the state's

general account, and that it is proposed to effect the transfer as from July 1 next. This will be an important step in placing the railway finances on a proper footing.

The Queensland railways also reduced their capitalization in 1931 by £28,000,000, or $136,000,000. I mention this just to show that Canada is not alone in finding the operation of railways expensive, and adjustment of its railway balance sheet desirable.

I want to say a word for our railway system, though I do not know whether I need do so. In Canada we have the cheapest freight rates of any country in the world. I do not think that can be disputed. We are giving our citizens every convenience in the way of alternative methods of transportation. I have heard no one dispute the right of any citizen to have the advantage of the latest and most flexible means of transportation. In another chamber a bill is being introduced providing for the regulation of all forms of transportation, but it is not the purpose of that bill in any way to regulate one form of transportation for the benefit of another form. We take the view, and I think rightly, that a method of transportation must survive or perish on its own merits. If more efficient ways of rendering service are discovered, our citizens are entitled to the benefit of them.

As far as transportation generally is concerned, we are setting our railways a very difficult task. They are standing up to it wonderfully well; we have two very efficient and well managed systems. I believe we are on the way to better days as far as our railroad situation is concerned. Someone has said that the step we are now taking will not in any way change the actual results attained. That is true in a measure, although I think the clearing up of the duplication in debts will favourably affect both the railway credit and the credit of the dominion government itself. I believe it will also have an important effect in making clear to the public mind just what the railway debt situation is when it is added to the public debt situation, and so possibly help to bring about a higher regard for the railways in the mind of the public.

Right Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, in view of what the minister has said as to the intention to leave to the special committee a large measure of discretion in dealing with the legislation, I shall confine myself to dealing with two questions.

The first is the distinct differences between the bill and the address delivered by the minister when he moved the resolution. In my judgment the bill does violence to sound principles of finance, and I cannot think the minister seriously expects the committee to adopt the bill as it stands. I have just sent for the report of the Canadian National Railways for the year ended December 31, 1935. I assume that within a reasonable time we shall receive the report for 1936. There never has been any difficulty in making a consolidated balance sheet. If the minister will be good enough to turn to pages 16 and 17, he will find the consolidated balance sheet as of December 31, 1935, but for the moment I am concerned only with the one item: Liabilities: stocks: capital stocks owned by the dominion government, $265,628,338.70; capital stocks owned by the public, $4,584,225. Obviously we cannot change that second item dealing with stocks held by the public. What we can do, as the minister indicated the other day—and I think it is sound—is to reduce the value of the capital stocks owned by the government to the sums we paid for them. In the case of the Grand Trunk we paid nothing; in the case of the Canadian Northern we paid the equivalent of some $18,000,000. It would not be difficult to deal with that item; that could be accomplished very simply. There it is; we reduce the amount to what these stocks represent in cash outlay.

The next item under liabilities is: Governmental grants: grants in aid of construction: by province of Canada prior to confederation, $15,142,633.33; other, $2,570,904.78, a total of $17,713,538.11. Subject to further investigation at the moment, I cannot think that any good purpose would be served by carrying this amount in the accounts. It represents subventions given by Quebec and Ontario prior to confederation to the old Grand Trunk and to lines acquired by the Grand Trunk.

Mr. HOWE: The sum of $15,000,000 represents those subventions.

Mr. BENNETT: Yes.

Mr. HOWE: The sum of $2,000,000 is a little different.

Mr. BENNETT: Oh, yes; that is something else altogether. I had occasion to look into that some time ago. It is not necessary to go into that in detail, except to say that one could justify the carrying of the $2,000,000 item but it would be very difficult to justify carrying the $15,000,000 item because it represents old Grand Trunk subventions which are not worth the paper on which they are written. That amount might just as well be eliminated as far as we are concerned. The only reason that has not been done is the reason given by the minister the

other day. Then we come to the item: Long term debt: funded debt unmatured, $1,154,779,000.78. I challenge the right of this parliament to change that by a cent.

Mr. HOWE: We are not changing that.

Mr. BENNETT: That is what I say. Therefore this item, namely the long term debt item, stands at $1,154,779,000.78.

The next item in the liability column is: Loans from the Dominion of Canada: temporary loans obtained for redemption of funded debt, pending refunding interest paid, $74,726,975. This is an item which varies from time to time as the government carries on refunding operations for the railway when its obligations mature and a lower rate of interest is obtained, and as far as this item is concerned it cannot be modified or changed. It stands.

The next item is the important one: Other loans from Dominion of Canada, $679,873,935.08. Interest on above accrued but unpaid, $495,030,137.29, or a total of $1,174,904,072.37. I deny the right of this parliament, in honest dealing with the public, to change this amount by a single cent. It represents money paid by the Canadian people into the capital of this enterprise; it represents loans from the Dominion of Canada. The dominion government went into the open market and borrowed money, and then lent it to the Canadian National, that is, the constituent companies which now comprise the Canadian National. The money was not given by way of subsidy. Let us not have any misunderstanding about that. It was not given by way of subsidy or subvention; it was not given by way of special advances for capital stock, as in the case of the old Canadian Northern. It represents loans made to the railways of Canada. My submission is that it stands in a position where it should not be changed even by one cent. Why? Because it represents loans made to the enterprises as going concerns. Just as the minister has said, these roads represent a combination of two privately owned systems and, he might have said, one of the difficulties the people of Canada have in dealing with the railways is that those roads were not constructed by a common proprietor, but were constructed by competing proprietors. Many of them were not built in such a way as to make it possible for them to yield a revenue, when combined with the other competing system. In other words, the Canadian Pacific railway was laid out, according to the plan of its proprietors, where they thought traffic was available. In the case of the other railways, one was a contractors' road, built for subsidies, and the other was built afterwards—and never should have been built—for the purpose of endeavouring to make a connection with the Grand Trunk system, between the east and the west.

These are important points to keep in mind when we are considering our position with respect to our railways. But, to get back to the financial statement: Why should we change a single cent or word of it? This is a certified report, submitted by trustees and certified by auditors. First, "loans from Dominion of Canada"; should that be written off?

Mr. MacLENNAN: Would it make any difference, if it were changed?

Mr. BENNETT: Yes, it would give a false conception of the position.

Mr. MacLENNAN: Not a materially false conception.

Mr. BENNETT: Yes, very material. I suppose a few hundred million dollars is not important?

Mr. MacLENNAN: Oh yes, it is.

Mr. BOTHWELL: Do those loans in any way represent the year-to-year deficits of the railways?

Mr. BENNETT: I am coming to that presently. At the moment I am considering the accounts. These represent moneys the Canadian people borrowed on their credit, and lent to the railways. There is no duplication in that. If I may use the term with respect, I would say that it is absurd to use the word "duplication" in referring to two separate entities which are keeping their separate accounts, the one borowing from the other. The accounts of the Dominion of Canada show what we owe the world. Our accounts show that we owe the world hundreds of millions of dollars. The accounts of the Canadian National Railways show that they owe us hundreds of millions of dollars which they borrowed from us when we, the Canadian people, borrowed money from the world. There is no duplication in that. Every person knows that is the way in which accounts are kept in every enterprise in the world. One enterprise shows where it got the money and, in turn, the other enterprise shows where it got the money. In its public accounts the Dominion of Canada shows that it borrowed money from people throughout the world who lend it. The Canadian National Railways borrowed from us, the people of Canada. That is the story.

Mr. HOWE: May I ask a question?

Mr. BENNETT: Yes.

Mr. HOWE: My right hon. friend has had a great deal of experience in corporation matters. Is it considered good bookkeeping to write off an item of the parent company and continue it in the subsidiary?

Mr. BENNETT: Certainly; it is done time and time again. The Bethlehem Steel enterprise, as I recall, has that form of set-up. In days long since past I have frequently had to do with enterprises in which the parent company lends money to the subsidiary. The subsidiary carries it at the face value at which it is lent. The lender or the home company may write it off, because it may not contemplate getting all that capital back.

But that is a different situation entirely; it is not the question which arises in this instance. I would direct the minister's attention to the consolidated balance sheet I have in my hand, and ask him what the loans of the Dominion of Canada were. Coming to the next item, a rather important one, I find that it deals with the point raised by the hon. member for Swift Current. It is:

Dominion of Canada expenditures for Canadian government railways

Road and equipment included in system investment account	$388,290,294 40
Working capital	16,771,980 54
Total	$405,062,274 94

I tried to explain the other day about the government railways which for all practical purposes we may eliminate from our consideration of this question. They represent the Intercolonial railway with branch lines attached to it, and the National Transcontinental. For our purposes, we know we have this investment of $405,062,274.94 in them. But that is not the matter about which the minister is greatly concerned, as he is dealing with them as part of the national system, because the national system is merely the operator rather than the proprietor of Canadian government roads. The title to them is still in us. They operate them, and we pay the subventions which arise in connection with the Maritime Freight Rates Act. It amounts to about twenty per cent of the freight paid by shippers who use these facilities during the year.

Now we come to current liabilities, totalling $45,330,201,96, and observe how they are made up:

Loans and bills payable	$ 356,408 44
Traffic and car service balances payable	3,473,222 92
Audited accounts and wages payable	6,871,490 57
Miscellaneous accounts payable	3,692,832 23
Interest matured unpaid	8,582,740 04
Funded debt matured unpaid	11,502,745 49
Unmatured interest accrued	9,390,843 18
Unmatured rents accrued	398,481 87
Other current liabilities	1,061,437 22
Total	$45,330,201 96

These are the normal and usual accounts kept by railway companies. In my judgment we cannot eliminate any of them from any balance sheet we may hereafter prepare. The amounts vary, and in the standard system of accounting provided by most nations in the world which have to control and regulate railways there will be found provision for that statement of current liabilities.

The next item is headed "Deferred liabilities." We need not discuss them, because they amount to only a little more than $3,000,000.

Next we find "Unadjusted credits," totalling $32,926,484.95. At this point I shall explain something which probably is within the knowledge of most hon. members, if they would but think about it. In Canada we have not made any provision for depreciation of our railways. In South Africa, as I shall presently indicate, they do, and they have done so in Australia. The law of the United States insists upon provision being made for depreciation. And so we find at page 17 of this report an item headed "Unadjusted credits," under which are the following amounts:

Tax liability	$ 1,351,952 98
C.N.R. insurance reserve	11,609,767 03
Accrued depreciation—road (U.S. lines)	2,491,586 60
Accrued depreciation—equipment (U.S. lines)	13,041,625 77
Accrued depreciation — miscellaneous physical property (U.S. lines)	1,540,010 34
Other unadjusted credits	2,891,542 23
Total	$32,926,484 95

Now we come to another item, and we find this language employed by the railway company: "Corporate surplus or deficit," and under it these items:

Additions to property through income and surplus (U.S. lines)	$ 683,581 03
Funded debt retired through income and surplus (U.S. lines)	587,465 33
Appropriated surplus	1,075,077 15
Profit and loss balance—deficit	$856,274,487 20

I ask, Mr. Speaker, by what process of bookkeeping can that item be honestly changed? That is my first question. How can we, without committing a wrong—to use a mild word—undertake to change that item? These are the railway company's accounts and, as I have pointed out to the house, the liabilities are indicated under the appropriate titles. No one has suggested that a change could properly be made in them except, as I said a minute ago, with respect to the stocks, which should be reduced to the cost they represent upon our books. That is the story, as disclosed by the report of the company. But there is a clearer balance sheet than that. That is the consolidated balance sheet.

When the minister spoke of the amalgamation of corporations, I know he did not mean that. The Canadian Northern railway has a capital stock of $100,000,000. The government of Sir Robert Borden made that provision. The subsequent purchase of stock reduced its value undoubtedly to $18,000,000, but the minister and I know it is not worth anything. So far as the government is concerned, I would not complain if they wrote it off entirely and indicated that we had paid $18,000,000 for it, or that we had made a loan of that amount. There is another phase of the matter to which I shall presently refer, that completely vindicates this position.

The Canadian Northern act passed by the government of Sir Robert Borden provided that the Canadian Northern system should be created out of the subsidiary and constituent companies. The constituent companies were those little enterprises which Mackenzie and Mann had gathered together all over the country. The subsidiary companies were those in which they had a controlling interest, for instance, in certain roads in Canada and one in the United States. The Grand Trunk system was built up in much the same way. The best illustration I can give to the minister is that of the Canada Atlantic railway. The late J. R. Booth built a road through to water and it ran into Ottawa. As a matter of fact, the Grand Trunk paid a certain sum of money for it, but that road did not become merged with the Grand Trunk. It became one of its subsidiaries and it still has a coporate existence because it has outstanding corporate securities.

With respect to many of these companies the difficulty lies in the fact, as is known to the minister, that they have outstanding securities. Some of them are covered by lease agreements under which a company, now part of the Canadian National Railways, would undertake every year to pay a rental equivalent to what its shareholders regarded as a reasonable return upon their money. For instance, take the Ontario and Quebec Railway. I dare say the minister has frequently seen in the newspapers notices of meetings of shareholders of that company. This railroad belongs to the Canadian Pacific railroad; it is part of their system. However, the Canadian Pacific railroad did not establish the road between Toronto and Montreal; that was the Ontario and Quebec railway company, a still existent company. It is one of the subsidiary companies of the Canadian Pacific. We have subsidiary companies in the Canadian Northern and in the Grand Trunk.

As is well known, there was in practically every province a new incorporation by the Canadian National and Grand Trunk Pacific. We had the Grand Trunk Pacific branch lines company operating in some of the western provinces; we had the Canadian Northern in British Columbia, and we had the Canadian Northern Alberta and the Canadian Northern Saskatchewan companies. In Manitoba we had the combination to which I referred the other day. I ask the house if it is sound for us when dealing with this matter to do other than make clear these heads which are subject to revision? Is it sound for the reasons that I have indicated, namely, the decrease in the value of stocks and shares now that the litigation has been settled?

The minister has suggested the setting up of a securities corporation, but this is at variance with all railway practice and all sound finance. We are saying that we are going to wipe out this investment, but it may have some value some time, and therefore we shall put it into the hands of a trust company. The corporate existence of that company is provided by this statute, which indicates also its officers. I think the minister will find that is unsound.

I go a step further. There should be indicated somewhere just how much of the Canadian National debt is represented by moneys lent to the road, not by way of subsidies and subventions but by way of aids since we undertook its operation a little after 1916. Let me put this to the minister: Compare the subsidies granted to the railways with the aid given to the Canadian National system. In the one case it is aid for the building of the roads; in the other it is money advanced to keep them in operation. Subsidies and subventions have been charged to the national debt of the country, for instance in connection with the Calgary and Edmonton Railway Company in the province in which I have lived. Then there is the old Long Lake and Saskatchewan road. These roads were given assistance by a grant from the federal treasury.

Then take the Canada Atlantic, built by the late Mr. J. R. Booth. Long after Sir Wilfrid Laurier came into power this road received a grant in cash by way of a subsidy or a subvention after it had been constructed. This was done because it was regarded as a pioneering and colonizing road. Such grants represent the will of parliament to assist in the construction of these roads. They gave $25,000,000 to the Canadian Pacific as well as grants of land which they bought back in part. Hon. members will recall the advertisements for the building of the Canadian Pacific

issued by the late Alexander Mackenzie. He offered 50,000,000 acres of land as a bonus to those who would tender for this construction. These are subventions or subsidies, but when we undertake the operation of a railway system we must be able to know what it has cost us to nationalize our railways. We want to test the value of nationalization plans as compared with others. We want to be able to know just what it has cost us to operate this system as a publicly owned utility. The only way we can do that is to have the information upon the books. Another reason is that we must be able to ascertain the relation between freight rates and our capital structure. Another reason is the fact that those who toil upon the railways are interested in knowing just what the system has cost the people in connection with wages that are paid.

I hold in my hand the report of the South African railways, one year later than the report from which the minister read. I shall not take the time at the moment to read in detail, but as one of my hon. friends said a moment ago, in perfection of detail it is difficult to contemplate anything so perfect as this report. In it their capital structure account is set out. The minister might be interested in it as it is the same statement, but in a different form from that in the report for 1935. The capital account as of March 31, 1936, shows that they have invested in their railroads, harbours, airways and steamships something like £800,000,000. This is the way in which it is dealt with: Interest bearing capital, public debt, £149,935,817 11s 8d. That is, they got this amount from the union and this amount is now part of the debt of South Africa. Then there is the non-interest bearing capital which amounts to some £55,000,000 and which consists of that part of what is now the capital structure which came from the surpluses of operation during those years. There are other items in connection with the assets of private corporations. There is the capital structure. That is all there is to it, but it shows explicitly what is being done. You have to get your money from the government that advances it, and before I get through I shall show the care with which it has surrounded the granting of money. I am greatly impressed with the safeguards it has set out for the public treasury before it will advance money to the railway. First of all, the railroad lays its plans before the government. That is not sufficient; there has to be an investigation, and finally, under certain safeguards, the money is advanced.

At six o'clock the house took recess.

[Mr. Bennett.]

After Recess

The house resumed at eight o'clock.

Mr. BENNETT: I do not think it would be fair to the dominion to compare the conditions in South Africa with those in Canada. It is unfair to Canada because in South Africa native labour is a very important item in their operations and they are able, therefore, to operate their system at a very much lower cost relatively than we are. In addition to that, they have, as the minister pointed out, a complete monopoly of traffic, whereas under the railway department we have the railways, the airways, the harbours, the highways and certain steamships, all of which constitutes a condition that is not comparable with that which prevails in South Africa. One phase of the operation of the South African railways that does appeal to me, however, is the efficiency of the operation. When I said the other day that out of their gross earnings, that is, before charging depreciation, only 58 per cent, and that after charging depreciation, only a little over 65·42 per cent of their earnings was required to maintain the system, leaving a substantial balance for other purposes, I indicated a condition which I think approximates perfection as nearly as possible in operations in these days. But the real, the essential fact is the difference with respect to labour costs. Of total earnings of the South African railways last year, only 38·13 was spent for labour. And that is the whole story; when you have stated that you have stated practically the whole of it. Comparing that with conditions in Canada, you find on page 4 of the report of last year that the operating ratio for 1935 was 91·77 per cent as compared with 92·14 per cent in 1934. Then follow the particulars of the expenditures that were made. As is known, of course, the labour cost involved was substantially twice what it was in South Africa; the figures are given in the report, but I will not take the time to deal with them.

There is only one other point I should like to bring to the minister's attention, and it is this. He cannot possibly say that the consolidated balance sheet of the railways—and I direct his attention to pages 16 and 17 of the report—is not a fairly complete report of the position of the system. If that is true—and I think it must be taken to be—why should we disallow any of the items contained in that balance sheet other than the ones I have mentioned? It cannot be claimed that there is duplication, because that balance sheet does not in any sense duplicate any report in connection with the national debt.

It cannot be said to be misleading so far as our credit is concerned, for it deals in extreme detail with the whole situation, setting out in succeeding pages the details of every issue that was made by the railway company and also borrowings from the Dominion of Canada. Loans from the Dominion of Canada will be found on page 29 of last year's report. These loans from the dominion make up a total of over $669,000,000 in addition to the sums required for financing last year. Why should we in any sense lessen these amounts in any balance sheet we prepare?

I am perfectly willing to be convinced—I have no feeling about the matter—but I believe that in fairness and in justice to the Canadian people we should make clear to them what the position is. Let me put to the minister one difficulty that has arisen by reason of the very statements made by him and others in this chamber. It has been suggested that the cash deficit last year was $48,000,000. That is not the fact. The Canadian taxpayer had to find $48,000,000 on income deficit, that is, on the income not being able to meet, not the interest on the money which the Canadian people had put into the enterprise but the interest on the securities which the Canadian National had issued, not those that represented money borrowed from the Canadian people on their general credit as part of the national debt. That is made abundantly clear by the report itself. Why, then, should we say that the deficit was $48,000,000? We know it was twice that. Why? Because the taxpayer had to pay the interest on the money which the dominion borrowed and lent to the Canadian Northern, and that is not included in the $48,000,000.

Let me make the situation perfectly clear so that there will be no misunderstanding about it. On page 28 we find the funded debt, principal and interest:

Total debt held by public (including therein $11,792,798.65 par value held in special funds and accounts) as per balance sheet..	$1,154,779,000 78

That is the total debt incurred by the companies which are now under the Canadian National system, all set out in detail. That debt of $1,154,000,000 odd was incurred by the railway companies; the interest on it is payable by the companies, and they had $48,000,000 less than what was required to pay interest on that amount held by the public. But turn to the other side of the question and look at the page to which I directed attention, page 29, showing loans from the Dominion of Canada. The loans from the Dominion of Canada being part of the national debt, the Canadian people are now paying interest on that debt. It has nothing at all to do with the $48,000,000; the amount of interest we paid last year on it came to the enormous sum of $35,949,676.70, as shown on page 29. So that, instead of $48,000,000, it was $48,000,000 plus $35,000,000, or $83,000,000, and that is in the report itself.

Mr. HOWE: Who paid it?

Mr. BENNETT: The $35,000,000?

Mr. HOWE: Yes.

Mr. BENNETT: It was paid by the Canadian people to the people who held bonds of the Dominion of Canada with respect to some of the money lent to the Canadian National Railways. That is the story. Now, should we do anything with that which would make it appear to be other than it is? I say to the minister in all sincerity that he will find in these documents nothing which could give rise to any confusion. The auditors have made it so plain that the wayfaring man, though a fool, may read. He who runs may read; there it is. I want to go one step further, however. There are certain figures which the minister has used in his bill as indicating his intention, shall I say, to wipe out or write off sums representing the real debt of this system to the people of Canada since we began to operate the system. Why should that balance sheet be changed, then, if that is what these figures are, namely, an indication of the losses sustained by the Canadian people in the operation of their property since they nationalized it? That is my position.

The hon. member for Swift Current (Mr. Bothwell) asked a question to which I now direct attention. He wanted to know whether in these figures I have given there was included any portion of the moneys paid by the dominion for deficits. There were included in those figures deficits up to 1932, but neither in this report, which is the report of the railway company, nor in the public accounts, is shown the extent to which the debt of Canada was expanded to provide money to pay deficits since 1932. So that there stand to be added to these figures the deficits that were paid by borrowing money in 1932, 1933, 1934, 1935 and 1936. These are not included and must be shown in any complete system of accounting.

Mr. BOTHWELL: May I ask another question? Do the items on page 29 of the report indicate the deficits of the Canadian National Railways which were covered by loans from the dominion government?

Mr. BENNETT: I said a moment ago that up to 1932 in part they were paid out of these loans which are shown on page 29. Therefore the taxpayers of this country are paying interest on money borrowed to pay those debts.

Mr. BOTHWELL: I would appreciate hearing what the right hon. gentleman considers is the difference between a deficit in the Post Office Department and the deficit of the Canadian National Railways. They are both public utilities owned by the government.

Mr. BENNETT: The answer is so simple that I am surprised at my hon. friend asking the question. One has a corporate set-up; the other has not. The post office is a part of the operations of the government of Canada and any deficits are charged against the consolidated revenue fund.

Mr. BOTHWELL: But in principle they are pretty much the same.

Mr. BENNETT: As far as the railway is concerned, a boast of Canadians has been that we set up an independent corporation which was free from political control, which was to be operated as a public utility publicly owned. That was our start. If we are going to treat it in that way we must make apparent in the balance sheet, as the auditors have heretofore done, what sums it has been necessary for us to provide every year from the public treasury to meet the deficits in the operation of our publicly owned utility, and also the extent to which we have pledged the public credit to enable us to maintain this nationally owned enterprise.

Mr. BOTHWELL: Then, do I understand that apart from the corporate existence of the Canadian National Railways, in principle the deficits are the same?

Mr. BENNETT: Not at all. All the hon. gentleman would have to do as a lawyer is to read the statute creating the company and then read the Post Office Act.

Mr. BOTHWELL: I appreciate that, but I should like to know what the difference in principle is.

Mr. BENNETT: There cannot be any similarity in principle between the two things. One depends upon licking postage stamps and the other, I am afraid, upon licking the Canadian people.

But let us go a step further with my friend the minister. I pointed out in this house on previous occasions that the trustees of the railway are not unlike receivers. If it were not for the fact that the Dominion of Canada has guaranteed securities to the extent of the various sums which have been advanced for deficits, they would be in the form of advances made against receiver's certificates. Does anyone suggest that receiver's certificates would not be shown in the balance sheet as a liability? No one does. Everyone knows that when a balance sheet is drawn up by a railway company—all one has to do is to take one or two of the companies in the United States now in the hands of receivers and see this—the receiver's certificates are shown as liabilities of the enterprise. The bonded debt is shown; the capital stock is shown. The interest is not being paid on the funded debt because the property is in the hands of a receiver. These advances are of that kind, only as no one would buy receiver's certificates, the nation itself borrowed the money and lent it to the company. Therefore the company should show in the same way that these sums are unpaid.

Mr. HOWE: Does the right hon. gentleman think a company in bankruptcy is a parallel case? It pays no interest.

Mr. BENNETT: I said that were it not for the fact that we have guaranteed these securities, his trustees would be on all fours with receivers. I pointed out in this house five or six years ago that the reason we cannot treat this as a receivership, is that the solvency of the Dominion of Canada is involved, the dominion having guaranteed the securities. That is our whole difficulty. We can no longer talk about receivership for the simple reason that we have guaranteed the securities not only of subsidiaries and constituent lines but of the Canadian National Railways itself.

There is one word more that I wish to say. Is there any desire on the part of anyone to do other than disclose the exact facts in connection with the operation of our railway? If the minister answers that affirmatively, he will have to give some explanation why we desire to deceive someone, and I do not think he wishes to do so. If he answers in the negative, he must continue to show on his balance sheet the figures that the auditors say correctly indicate the position. Before I sum it up I want to put this to him. He cannot be unaware of the fact that substantial portions of the debt of the Canadian National railways, that is of the old Grand Trunk, Grand Trunk Pacific and Canadian Northern and other allied and subsidiary lines, have matured, and as they have matured, in some cases the railway company has issued new securities at lower rates of interest guaranteed by Canada, but in other cases we have provided the money at lower

rates of interest to enable the railway company to discharge those maturities. Is it not of first importance that we should know from year to year the extent to which the taxpayers of Canada have put themselves directly into the enterprise, in order that we may learn whether our operation of this public utility is efficient or otherwise? Is that unfair? I think not. I am as much concerned about it being operated successfully as is any other man in the country, not only because I have had some responsibility in connection with it but because in my judgment the economic future of this country depends entirely upon some adequate solution of the railway problem. Our credit abroad is bad not because of duplications, but because of the colossal debt, and something else also, namely the fact that year after year that operating ratio is over ninety, meaning that, so long as it continues in that field, there is no possible chance for us to succeed.

I am going to accept the statement of the hon. gentleman on the second reading of this bill that it will go to a committee which, having the fullest opportunity for investigation of all the facts, may be able to make such recommendations as they may think desirable. If I followed the minister aright, the government says, not that we must accept this willy-nilly, but that those who have knowledge will be able to make such explanations as may be required to enable us to arrive at a reasonable conclusion.

This is my submission: (1) that the balance sheets heretofore published by the Canadian National Railways disclosed its liabilities as they appear upon its books; (2) that no balance sheet worthy of being called a balance sheet can be exhibited by that company which does not disclose its liabilities; (3) that its liabilities consist of (a) capital stock, (b) funded debt, (c) loans from the Dominion of Canada; therefore (4) that the balance sheet must as revised take cognizance of the fact that the stocks are carried at too high a figure and there must be a write-off to make the figure accord with the facts, and that the obligations of the company as set out in detail in the annual reports must continue to be exhibited in the balance sheet. The amount due the Dominion of Canada for moneys loaned by the people to the railway must be set out as a liability in order that the balance sheet may be properly constructed. The details of both those are set out in the annual statements of the company from year to year. I further submit that any departure from this principle would involve deception being practised upon the Canadian people. For the reasons which I gave this afternoon and which I need not now repeat, there can be no recovery of the system on the basis of efficient management unless those who are charged with responsibility realize the magnitude of the task they have to undertake and, shall I say, the difficulties in the way of being able to accomplish success.

Lastly, Mr. Speaker, I say that any effort to make it appear that a loan made to the Canadian National Railway Company by the Dominion of Canada is in any sense a duplication of the debt of this country is entirely misleading, for if they borrowed it from Morgan Grenfell and Company instead of from the dominion government, in their assets Morgan Grenfell and Company would show the bonds of the Canadian National Railways and the Canadian National Railways would show money borrowed from Morgan Grenfell and Company. The fact that the lender is the Dominion of Canada does not in any sense change the accounting principle which I submit must be accepted if we are to keep faith with the people of this country who have provided the money with which to make these loans to this enterprise. Further, the continuance of the existing balance sheet in that regard not only being essential but imperative if we are to have frank accounting—and I use the word "frank" lest a harsher word might be misunderstood—it is important that it should be made plain to the Canadian people that the $48,000,000 last year was an income deficit, as it is shown in the balance sheet, and that in addition there was the large sum of $35,000,000 paid by the same people, the Canadian people, as taxes or as an addition to their debt, making a total liability of something over $83,000,000 that was incurred last year by the Canadian taxpayer, regardless of any question of compound interest or accumulations of interest either on dominion debts, on provincial debts or on any other obligations. The obligations to the various provinces which I mentioned the other day are all set out in the balance sheet also.

Therefore, Mr. Speaker, I desire to make it perfectly clear that in agreeing to the second reading of this bill I do so, and we do so, with the confident hope that the committee charged with this great responsibility will not permit themselves to be influenced by considerations of party, of partisanship or of anything other than the setting up of an honest, complete statement of the position of our enterprise—for it is ours— and of the amount which is required from year to year to enable

that enterprise to continue to function. Anything less than that would be keeping bad faith with the Canadian people, if it would not be deception. Anything more than that could not be asked for. Less than that I do not think anyone, least of all any public man, should be able to either suggest or think of, for it is imperative that in matters of accounting we should remember that after all, except by repudiation, we cannot change the obligation of Canada to pay the interest on these securities. And in looking to the railway company, to whom we have lent the money, to repay the interest that we are paying, we are but looking as one who lends, that is, a lender, looks to his borrower. The balance sheet of the lender as well as that of the borrower should disclose the situation. On the one hand the loans are shown as assets; it may be that in the opinion of the lender the assets have a lesser value than is shown on their face, but that is no reason why the borrower should not indicate clearly the extent of his liability to the lender.

Hon. CHARLES A. DUNNING (Minister of Finance): Mr. Speaker, I desire to detain the house for only a few moments. The object of the government in proposing the legislation which the Minister of Transport (Mr. Howe) now has before us is not, as I think everyone will agree, to deceive the Canadian people or to produce a set of accounts for the Canadian National which will not reflect, as accurately as the complexities of the Canadian National system will permit, the true condition. My right hon. friend the leader of the opposition (Mr. Bennett) has just pronounced what I might term a doctrine of accounting perfection. No one can take exception to the broad general principles of accounting which he lays down, but with all respect may I point out that so far as the Canadian National balance sheet is concerned, the principles of accounting perfection were departed from quite a number of years ago, and have been departed from still further in the intervening years. I think it was back in 1920 or thereabouts when the difficulties incident to calculating the interest upon the unpaid interest on the money which had been advanced by the Canadian people to the Canadian National or its various units were a source of concern to the Minister of Finance of that day.

Mr. BENNETT: I eliminated that from my discussion.

Mr. DUNNING: My right hon. friend has eliminated that from consideration, but I am pointing out that, if not the first, at any rate that was one departure from the principle of accounting perfection. Quite obviously, if the Canadian people are required to advance money to pay interest upon money which was advanced by them to the railway, then interest on that interest is also payable from time to time by the Canadian people when it is not paid by the railway company. What the accumulation of that amount would be in the intervening years I am not going even to try to guess, but in any case, as far as the railway accounts were concerned, as far back as that the amount of interest due upon interest, which had been unpaid by the railway company to the Canadian people was dropped from consideration in the railway balance sheet. Later, my right hon. friend himself, facing the problem in 1932, I think, adopted the principle that in future the cash deficit should be paid out of the treasury of Canada.

Mr. BENNETT: That was a recommendation of the commission.

Mr. DUNNING: It was a recommendation of the commission, and as my right hon. friend indicated this evening, since 1932 no accumulation of the amounts paid by the Minister of Finance with respect to the cash deficits of the Canadian National Railways has been added to the balance sheet items from year to year.

The point I am making is simply this, that with respect to an undertaking of such tremendous complexity, with the history which has been so well outlined by the Minister of Transport and the leader of the opposition, at this date it is impossible to lay down the principle of accounting perfection, apply it throughout all the years of the undertaking and expect to reach any intelligible result. The principle upon which the Minister of Transport is working in connection with the bill now before the house is not to attempt to create a condition which will deceive the Canadian people into thinking they have not put into this railway the money which has been put into it, but rather to clarify the present position in that regard and to maintain before the Canadian people the amount which they have put into the roads as representing what it really is, the equity of the Canadian people in the railway after the fixed securities in the hands of the public have been taken care of. True, the value of that equity, as my right hon. friend says, is represented in the public debt of Canada at this moment. True, the Canadian people are paying the interest on that portion of the public debt just as they are paying it on the rest of the public

debt, but with this qualification: The portion set up in the balance sheet of the Canadian National Railways to-day, plus the rate of interest calculated upon it, does not represent the cost of that amount of money to-day to the Canadian people. It represents a calculation based upon the rates obtaining when the various loans were made, under the contracts connected with them. As a matter of fact, there is little comfort in looking at our railway balance sheet picture, but there is this much comfort, at any rate, that the amounts set up by way of indebtedness in the present balance sheet do not cost the Canadian people quite as much as the amount set out there, for the reason that as a consequence of lower interest on moneys and refunding operations, the average cost of the public debt has been reduced, while the rates used for computation in the balance sheet remain about the same as those existing when the obligations were undertaken in the first place.

The government appreciates the attitude in which the house has approached the question. The minister has indicated that when the bill is referred to the special committee—and I hope it will be referred to-night—the most searching examination will not only be permitted but invited, to the end that we may, if possible, evolve a set-up which will be realistic in so far as it relates to the property as it now stands, and at the same time will not disguise from the Canadian people the amount of money which all down through the years they have invested in this great railway undertaking.

Motion agreed to, bill read the second time and referred to the standing committee on national railways and shipping.

VACANCIES

Mr. SPEAKER: I have the honour to inform the house that I have received communications from two members notifying me that the following vacancies have occurred in the representation, to wit:

Of the Hon. Charles Marcil, member for the electoral district of Bonaventure, by decease.

Of Herbert Earl Wilton, member for the electoral district of Hamilton West, by decease.

I accordingly issued my several warrants to the chief electoral officer to make out new writs of election for the said electoral districts.

SUPPLY

The house in committee of supply, Mr. Sanderson in the chair.

POST OFFICE DEPARTMENT

Civil Government—

Salaries, including the assistant Deputy Postmaster General and General Superintendent of Postal Service at $7,500 a year from April 1, 1937; amounts required to pay allowances to office appliance operators, grade 2, operating mechanical audit card punching machines in accordance with the terms of order in council P.C. 280/383, dated February 17, 1930; to pay allowances to typists, grade 1, employed cutting stencils in accordance with regulations approved by order in council; and to pay allowances to office appliance operators, grade 2, in the revenue division employed as key punch operators, schedules and rates to be decided upon by the Civil Service Commission and the Post Office Department and approved by the governor in council, $1,318,488.

Contingencies, $215,000.

Mr. BENNETT: The minister was about to make a statement on the last occasion his estimates were before the committee.

Hon. J. C. ELLIOTT (Postmaster General): The statement I had begun relates to item 275. I thought that if the committee were agreeable we should complete discussion on item 16, and then proceed with item 275.

The CHAIRMAN: Shall the item carry?

Mr. ELLIOTT (Middlesex): When the house rose on February 2, in reply to a question asked by the hon. member for Halifax (Mr. Isnor) I was making a statement as to whether or not in the last year the department had made ends meet, and as briefly as possible I was endeavouring to give the committee a statement of receipts and disbursements, according to the method of bookkeeping which has been in vogue since the department was established.

I believe on the last occasion I had given the receipts and expenditures, as they appear at page 507 of Hansard, but for the sake of clarity I shall repeat them to-night. I shall give the figure for 1935-36 first, and then the best estimate we can make—and I think it is reasonably accurate—for 1936-37. Of necessity we can make only an estimate for the last two months of this fiscal year. In the year 1935-36 we received in gross revenue $39,203,499.82. From this sum there has to be deducted $6,210,498.70 paid to commission postmasters, leaving a net revenue of $32,507,-888.52.

For the year which will close on March 31 next the gross revenue—of course estimating the income for the last three months, in accordance with the income for the past nine months—will be $41,178,199.40, from which we

must deduct approximately $6,868,164.56 paid to commission postmasters, leaving a net revenue of $34,310,034.84. May I say that in connection with the estimated revenue, in the cities we have been able to obtain figures as to income for the ten month period, but in the figure I have given the estimate is made for the last three months. The figure of $34,-310,034.84 represents an increase of $1,803,146.32 over the preceding year.

Those who are attempting to follow the last report of the Postmaster General, for the last complete year, will find on page 7 the information I am about to give. Perhaps the system adopted there will enable them more readily to follow the figures I am giving. For the year which will close on March 31 next, the outlay, estimating the last three months of the year, will amount to $31,043,227, or an increase of $943,126 over the preceding year. Comparing the estimated net revenue with the estimated expenditure for the year closing on March 31 next, we should have a surplus of $3,266,807.

That is the largest surplus we have had since 1920.

Mr. DUNNING: Can you pay me that tonight?

Mr. ELLIOTT (Middlesex): The banks are closed.

As will be noticed from the reports of the Post Office Department, that is considerably in excess of any recent year. Perhaps this would be the most convenient time for me to deal with the system of bookkeeping. I know this question will come up and I might just as well meet it now as wait for it to meet me.

Mr. SPENCE: The minister promised to do that.

Mr. ELLIOTT (Middlesex): I promised to do it and, like the hon. member for Parkdale (Mr. Spence), I like to keep my promises. I am going to give the nearest figures that can be obtained by the use of the system suggested as being the ideal one. I have looked over the discussion on the Post Office estimates for a number of years past, and I think this question has arisen in nearly every year. The department has been asked whether the expenditures as shown in the yearly report include all expenditures which should properly be charged up to the Post Office Department. First, we have an estimate of the rental value of all buildings throughout the dominion used for postal purposes. For the information of the committee I might say that there are 413 government owned buildings, and space for post offices is rented in 112 private buildings. The public buildings are constructed by the Department of Public Works, which department also supplies part of the furnishings. One rather odd feature is that this department supplies certain things like belting in the first instance, but when they are worn out, unfortunately the Post Office Department has to pay for them. I have argued this matter with some of my friends in the department with which I was reasonably familiar formerly. I said that if it were proper for them to provide these things in the first place, they should keep them in repair. The Department of Public Works is most familiar with the needs of these buildings in the way of equipment, char service, cleaning and all that kind of thing.

Mr. ISNOR: What is done in connection with replacements? Are they charged as capital expenditures or as operating expense?

Mr. ELLIOTT (Middlesex): They are charged as operating expense.

Mr. ISNOR: In the first place they would be charged as a capital expenditure?

Mr. ELLIOTT (Middlesex): They would not be charged against the Post Office Department even in the first place. What I am endeavouring to show is the estimated value. I am doing this in compliance with the many requests made by hon. members when we were last passing our estimates. The details which are very extensive have been furnished to me by my colleague, the Minister of Public Works (Mr. Cardin). The total value of space occupied in public buildings and services rendered is $2,555,072.58. That is that side of it.

There is a service rendered by the Post Office Department for which no charge is made. I refer to the franking privileges extended to other departments and to the members of this committee. Based upon the revenue which would be obtained from a similar amount of mail, this is valued at $1,101,763.

Mr. BENNETT: I remember asking once before how such an estimate would be arrived at.

Mr. ELLIOTT (Middlesex): I asked exactly the same question myself and the answer I received was that it could be given accurately by basing it upon other material being sent out. In addition, we run a savings bank. When profits are made from this operation they go into consolidated revenue, but every other expense connected with this phase of the department is borne by the department. The estimated cost for last year is $80,000.

Mr. MacNICOL: Is that the profit?

Mr. ELLIOTT (Middlesex): No, that is the cost of running the bank. Any profits would go to my friend the Minister of Finance (Mr. Dunning).

Mr. DUNNING: Who also bears the losses, if any.

Mr. BENNETT: There is no transfer of profits?

Mr. DUNNING: No.

Mr. ELLIOTT (Middlesex): Those two, together with the $3,266,000 of surplus, make a total of $4,348,571. Deducting the $2,560,000 for servicing and rental of buildings leaves a surplus of $1,788,571.

I think I should refer to another matter in connection with which some questions have been asked. We receive certain services from some steamship companies for which a subsidy is paid. A fair estimate of the value of those services would be somewhere in the vicinity of $300,000.

Mr. BENNETT: I do not want to interrupt the minister, but it must be more than that if the department charges for the services on a cubic foot basis.

Mr. ELLIOTT (Middlesex): No. I am told by the departmental officials that that is a fair estimate of the value of these services to the department. I can give my hon. friend only what I have received from those who have figured it out.

Mr. BENNETT: Well, if the rest of the work is as good as that, they are doing well.

Mr. ELLIOTT (Middlesex): Well, we hope we are. That is the situation as far as that is concerned. I have made that explanation to see if those figures would satisfy hon. members who were anxious to have some information along these lines.

Mr. HEAPS: I am glad that the Postmaster General has brought down something in the way of a departmental report. Last year he promised to do so. After all, this report is only a partial statement of the workings of the post office. I should have liked it to include much more detail than he has been able to give us, but I realize that it has entailed a good deal of work on the part of the officials, and another year, no doubt, it will be rendered in greater detail. It would be a good thing if the post office estimates were dealt with in the same way as those for the railways, referred to a committee of the house to be gone into carefully. Our post office is a utility; it should stand on its own feet and not be a charge upon the public treasury. I understood the Postmaster General to say that there was a surplus of—was it $1,700,000?

Mr. ELLIOTT (Middlesex): $1,788,000.

Mr. BENNETT: The minister said $1,800,000 in round figures.

Mr. HEAPS: Is that the net profit or the estimated profit on the operations of the post office?

Mr. ELLIOTT (Middlesex): We are estimating the last three months, but the estimates we have made are quite in proportion to the increase for the nine months that have already expired. If it is realized, we shall have a surplus, if we do not take in the $300,000 steamship subsidy of $1,788,571.

Mr. HEAPS: After allowing costs of operating the buildings and the rental of the buildings which come under the jurisdiction of the post office.

Mr. ELLIOTT (Middlesex): Yes; my hon. friend is quite right. The difference between the revenue and the expenditure on an operating basis is the amount that I have stated.

Mr. BAKER: Is that before the department pays the rent, or afterwards?

Mr. ELLIOTT (Middlesex): Afterwards.

Mr. ISNOR: Will the minister tell us whether the item of rentals has been taken into consideration in previous years, particularly since 1932?

Mr. ELLIOTT (Middlesex): If I understand my hon. friend's question, he asks if it was included in the other years. I have already stated that it has not been included since confederation.

Mr. ISNOR: This year the minister is going to include it?

Mr. ELLIOTT (Middlesex): No. I am showing only what the result would be if we were to figure on that basis, and I gave that estimate for the information of those who wanted to know what would be the result if that other system of bookkeeping were adopted.

Mr. ISNOR: In view of the fact that, on the minister's own statement, a great many members are interested in this particular item, is it the intention to include it in future as a regular item of expenditure?

Mr. ELLIOTT (Middlesex): As far as intention is concerned, that is something which will be disclosed after it is decided upon.

Some hon. MEMBERS: Oh, oh.

Mr. ELLIOTT (Middlesex): May I make myself clear? You cannot give expression of a government's intention in a matter of that kind until a decision has been reached.

Mr. ISNOR: Perhaps this is a laughing matter; I do not know.

Mr. ELLIOTT (Middlesex): I do not think it is.

Mr. ISNOR: To me it is a matter of business. Ever since confederation the practice of the department has been to set up in one column its revenue and in the next column its expenditure, and one subtracted from the other gives the net deficit or the surplus as the case may be. This evening the minister comes here and, after having been questioned with regard to the set-up of expenditure, says, in effect, we should or perhaps we shall include an item running into many thousands of dollars. Then, when I ask whether it is the intention of the department in future to include this expenditure, he laughs.

An hon. MEMBER: No, that is not correct. We laughed.

Mr. ISNOR: Then, I say, members of the house are not dealing in a businesslike way with this matter.

An hon. MEMBER: Do not be too serious.

Mr. ISNOR: I am not too serious, but I do not want to be laughed at when I am asking a question that I consider I am entitled to ask.

An hon. MEMBER: We were not laughing at the question; we were laughing at the answer.

Mr. ISNOR: May I point out that in 1935 the report shows a surplus of $2,274,007.94. In view of the statement which has been made by the minister we can take it for granted that that is not correct. The same thing applies to the 1936 report, showing a surplus of $2,407,768 and some odd cents. We can also take that statement as not being correct. This year, we are told, the item of rental is to be included.

Some hon. MEMBERS: No.

Mr. ISNOR: That was included in giving the net surplus. I believe that if we are going to have a true picture of the position of the post office along the lines indicated by the minister the other evening, we should have the complete set-up of the revenues, including, perhaps, items that are not mentioned, fees collected by his various officers throughout the country for the sale of radio licences. I do not know whether that is taken into consideration; I do not see any mention of it. All these items should be included as revenue, and all other relevant items on the other side; then we shall have a true picture showing whether the post office department is paying its way. Until we have that, I do not think the minister is in a position to say "Yes, I can state that the department is paying its way."

Mr. DEACHMAN: I should like to support the view expressed by the hon. member for Halifax (Mr. Isnor). In the administration of any department it is essential that all the facts should be revealed. If there are some items which the Post Office Department is getting from the other departments—as, for instance, the public works department—it should pay for them, and if the post office department is giving service to other departments of the government those departments should pay the post office, in order that when the yearly statement is brought down it will reveal to the public exactly what has happened.

One other item which the minister has mentioned relates to subventions to certain steamship companies. Apparently those companies are receiving subventions and also carrying the mails, and that is not charged against the department. We ought to know how much we are paying for steamship subventions and also how much is being paid for carrying the mails.

In this connection there is another matter I want to point out which I am sure the minister will appreciate. If the Post Office Department is paying rent for buildings, then the minister, as the shrewd manager of a business department, will endeavour to see that the rent is as low as possible. It is more than probable that if we had a separate department constructing these buildings and operating them, the eagle eye of the Postmaster General might not be quite so keen and his Scotch sense of thrift might not exercise itself with the same intensity as if he were footing the bill himself. I suggest, therefore, that in this department as well as in others we should have all the facts so as to know exactly what is being done, and when there is an achievement such as there is this year, a surplus being presented, we shall be able to congratulate the minister more fully than we now do inasmuch as we shall know the statement contains all the facts and is an exact reflex of the operations of the department.

Mr. POOLE: What is the amount which is collected in stamps used on cheques and which should be going into the consolidated revenue fund instead of to the Post Office Department?

Mr. ELLIOTT (Middlesex): We have no means of estimating the value of stamps used on cheques.

Mr. POOLE: Then how does the minister know what should be going into the consolidated revenue fund?

Mr. MacNICOL: In arriving at the surplus, does the department take into account the matter alluded to by the hon. member for Huron North (Mr. Deachman), namely, the mail subsidies to steamships? Is that deducted from the Post Office Department or is it charged to the department?

Mr. ELLIOTT (Middlesex): In the estimate I prepared I did not deduct that; I called attention to the amount. It has never been the practice to deduct it and I am not deducting it. I am simply giving the estimate arrived at by the official of the department.

Mr. MacNICOL: I suppose that the subsidies to steamship lines include allowances for both mails and freight. If, in the amounts quoted as steamship subsidies, allowances are made for carrying freight, is the minister able to tell us how much is paid for carrying the mails and how much is allowed for freight?

Mr. ELLIOTT (Middlesex): The subsidies are made by the Department of Trade and Commerce and I cannot give them accurately. All I am attempting to give is the best estimate we can arrive at of the value which the officials of the Post Office Department believe that these subsidies represent in the way of transportation of mail matter.

Mr. MacNICOL: Are they not charged against the Post Office Department?

Mr. ELLIOTT (Middlesex): No; against the Department of Trade and Commerce.

Mr. BAKER: Does the minister not agree that the rentals which have not been charged in the past for the buildings used should be credited from his department to the public works department? And should not the revenue from stamps, which belong to the finance department, be credited to that department? Would he not recommend that system in future in connection with these items? No one can tell from the figures which have been given whether the department is making a profit or not.

Mr. ELLIOTT (Middlesex): If my hon. friend had followed me he would see that the department had a surplus whether we counted those or not. There are certain items that enter into transactions which take place among the various departments and they make it difficult to estimate accurately the payments which are made in different ways and which are of value to one department or another. There is an item that might properly be charged on the other account, and that is civil government. The cost of civil government enters into the handling of all the mail that is franked. If my hon. friend went into the matter he would realize the difficulties that stand in the way of an accurate estimate of the amounts which should be charged for these various services. Let me say in reply to my hon. friend (Mr. Deachman), I know something of the workings of the public works department and I believe that one department can put up buildings and rent them much more cheaply than if the work were divided among two or three or half a dozen different departments.

Mr. DEACHMAN: I did not suggest that it should be.

Mr. ELLIOTT (Middlesex): No; but what my hon. friend did suggest was that if the Post Office Department were making these arrangements for rentals they would exercise thrift a little more, having to pay the money themselves. If my hon. friend says I misunderstood him I am glad to hear it, because I happen to know something of the workings of that department and I do not believe there is any other department of the government that scrutinizes more closely the obtaining of buildings at reasonable rentals.

Mr. BENNETT: Times may have changed.

Mr. ELLIOTT (Middlesex): No. I followed this pretty closely during the past six years when other departments were not doing as well as I thought they might have done, and I must say to the credit of the Department of Public Works that in those six years they did a lot better than many other departments.

Mr. BENNETT: I desire to make a few observations about the operation of the Post Office Department, for it is a department in which I took a great deal of interest before having any responsibility with respect to it, because I thought it might be conducted in a little different way. I suppose there has not been a House of Commons since confederation in which there has not been a debate in connection with the operations of this depart-

ment. I looked into the matter in New Zealand first and then with some care in Australia. In New Zealand the Post Office Department is conducted as a business, and the head of it, Mr. Macnamara, operates not only the telegraph system but the telephone system as well. He also provides a savings bank in every post office in the dominion. The result is that, as the hon. member for Huron North has said, he is responsible also for buildings. A new building has been put up at Dunedin at a cost of £350,000. It was built out of depreciation allowances on buildings previously built. An analysis of conditions there I think would satisfy the most critical that it is possible to conduct the post office on the lines the Postmaster General (Mr. Elliott) has himself indicated to-night with respect to charging other departments for services rendered and matters of that kind.

In the Commonwealth of Australia the estimates are submitted to the house much as they are here. I have in my hand the volume of estimates of receipts and expenditures for the year ending June 30, 1937. The post office is treated as a business undertaking, and since the inception of the commonwealth all the money that has been expended in post office undertakings, telephone and telegraph undertakings, has been separately borrowed, and the interest charged against it separately. It is conducted as a business enterprise. Buildings are built, I do not know by whom, but from appropriations and borrowings, and the interest on the investment and likewise the other expenditures are voted by parliament. If we were sitting there to-night, this is what we would be considering: Postmaster General's department: estimated expenditures; special appropriations excluding interest and sinking fund, £363,000; salaries, over £7,000,000; other votes, over £2,700,000; interest costs, over £1,500,000. That is all charged against the revenues of the Post Office Department.

Then, every year they provide a little over a million pounds for sinking fund against loans raised for the undertaking. Exchange cost the enormous sum of £356,000 owing to the fact, as hon. gentlemen know, that £100 sterling is the equivalent of £125 Australian. The total, excluding additions and new works, is over £13,200,000. New buildings and additions cost £1,750,000. Then comes the grand total of £14,980,885.

Mr. ELLIOTT (Middlesex): Are those total expenditures or total revenues?

Mr. BENNETT: Those are the total expenditures.

Mr. HEAPS: Is that nothing more than the post office?

[Mr. Bennett.]

Mr. BENNETT: I said it includes telegraphs, telephones, the post office, and the savings banks in a small way. For the expenditures they have the annual votes, and they expect to have a small surplus on the year's operations. It is treated as I say as a separate and distinct business. What made me think of it was the question asked to-night by the hon. member for Swift Current (Mr. Bothwell) in connection with the Canadian National Railways. One who has listened to what has taken place to-night will at least understand the difference between the operation of a railway and of the post office, whatever else may be said. In Australia they do operate it as a business, separate and distinct. The estimated revenues are stated to be so much from the sale of stamps, so much from the various services—

Mr. COLDWELL: May I ask a question? Is this run as a political arm of the government or as a business, without political patronage?

Mr. BENNETT: I have never seen anything freer from political patronage than its operation. I am not going to tire the committee by talking at length about what is taking place in some other part of the world, but briefly these are the estimated revenues: from telegraphs, £1,300,000; from telephones, £7,000,000; from postage, £6,250,000, and miscellaneous, £1,136,000; total, £15,700,000; leaving a small surplus, something about £750,000. They show the details of their expenditures, their mail carrying contracts, for instance the Orient Steamship Company, £110,000. When I hear the minister speak of an estimate of $300,000 for carrying mails across the Atlantic, for one year, and carrying mails to Australia and New Zealand for a year, and to the orient, and all along these coasts, I say we must have a different conception; we must be dealing with different things. The space used at ordinary freight rates per cubic foot would come to more than that. Australia provides £110,000 to carry the mails between Australia and Great Britain by the Orient line for a year; that is $440,000. As regards the Christmas mails which come to this country, I have seen 3,000 tons of mail landed in Canada from a ship. So, when the minister speaks of $300,000 as covering the expenditure, I know that his mind is directed to something other than the real fact. Such a sum would be a mere fraction of the cost of carrying mails by water to and from this country. The Cunard White Star Line and the Canadian Pacific carry mails to Canada from Great Britain, besides those which come via New York, and we are told that

the cost of carrying mails around the coast of Nova Scotia by water, if the ordinary rates were charged, would be as much as the subsidy we pay to the companies for doing this. Certainly the representation made to this house was that the subsidies which we grant to Atlantic and Pacific steamship lines bear a close relationship to what the cost would be if we paid for the carriage of the mails. Of course it depends how you compute it; if you compute it cheaply enough you could make it $30,000 instead of $300,000. In the United States they do not pay subsidies, as we call them, to the steamship lines; the rate is worked out on the basis of the movement of their mails. It increases with the rate of speed at which the mail is moved on the water. For a twenty knot speed there is one rate, another for twenty-one knots, another for twenty-two knots, until it gets up to a very, very high rate indeed. That is the reason why the subsidies they pay to some of their shipping lines are so much larger than anything we could hope to pay.

I leave out New Zealand for the moment because what they have done is so remarkable that it might be regarded as exceptional, with a population of only 1,500,000 people, as compared with what is done by Canada. But a comparison with Australia would not be unfair. First, they have an exceptionally good man there and they pay him an exceptionally good salary. He gets £4,000 a year for handling the mail service. That is at least $16,000, and he is not regarded as being overpaid. They brought him, I think, from the post office in England. Then every state has a director of the service in that state. Their estimates contain a statement of what that director gets and what every other servant gets and the cost of moving the mails in that state as well as the cost of moving them through the state. The business is conducted by the Postmaster General as an ordinary business, and I am bound to say I do not think they waste much time in discussing whether or not John Smith should be postmaster at such and such a place, because the difficulty would be to get anybody to be postmaster in some of these places, rather than the question of political patronage. I suggest that it might be well for the officers of the Post Office Department to study the question from the standpoint of a set-up as a business undertaking, and treat it as they do in Australia or South Africa.

The federal constitution of Australia dates from the beginning of the century. They started at scratch, with the advantage of seeing the mistakes that other countries had made, and they set this up as a business undertaking. The interest, the sinking fund, all these charges against capital expenditure are shown and are charged against the revenue of the year. Notwithstanding that, they still had a surplus. But they have the telephone service, which of course we have not, and they have the telegraph service, which we have not. It is an excellent service; the rates are very, very reasonable, and the service is widely used. But the question of handling mails from that island to all the rest of the world is exactly the problem we have to face, except that we are part of a continent. I cannot think that the responsible officials understood the problem when they suggested that $300,000 would be a reasonable charge for handling all the Canadian mails during the last year by the steamship companies which come and go to and from the Dominion of Canada. In addition, it must be remembered that we must pay our proportion of the charges for the movement of mails to Canada from New York, San Francisco and other parts of the United States.

I congratulate the minister upon the enthusiastic interest he has taken in his department and his earnest desire to make as good a showing as possible. It used to be an elementary rule that the Post Office Department was not run for profit; that it was a service, in the language of my hon. friends to the left—

An hon. MEMBER: Production for use.

Mr. BENNETT: Yes, production for use and service, and not for profit. That has been the general rule which has prevailed in most countries. It has never been regarded as a large profit making organization, but in many parts of the world they have put it on a business basis. So, while congratulating the minister, I think it is not quite fair to conclude that the general exchequer has shown such great improvement, because in the end it will be found, I should think, that with proper charges we have about a balanced condition of affairs. If the department is conducted on a hit-and-miss basis, such as an estimate of $300,000, I should not judge that this was very much to be depended upon. If on the other hand it is carried on in the light of exact receipts and disbursements, as is the case in connection with postage stamps, for instance, we can perhaps better appreciate the situation. The profit on postage stamps, for example, is the difference between the cost of making them and what you get for them, but you cannot work that principle into every question with which you have to deal. It might be well

for the minister in the recess to give some little consideration to the question as to whether, even at this late date, it might not be possible to treat the department as on a purely business basis, as what one might call one of the departments of business of government. I have long had that hazy idea in the back of my head. Like many other ideas I have, it may be in the opinion of hon. gentlemen opposite, not very valuable, but I was desirous of seeing the extent to which that situation existed in other places. I had heard much of it, and I am bound to say that my investigation made me believe that not only is it practical but that it has worked with very great success in other parts of the king's dominions.

Mr. DEACHMAN: There is just one question I should like to ask the minister. Freight and express rates in Canada have declined sharply, I think, since about 1918. I should like to know if there has been a corresponding decrease in the cost of moving the mails. What was that cost in 1918, say, as compared with last year?

Mr. ELLIOTT (Middlesex): I shall be very glad to obtain that information for my hon. friend. I do not have it before me and my assistants tell me it is not in the data they have. There has been no substantial change for a number of years.

Mr. DEACHMAN: Since 1918?

Mr. ELLIOTT (Middlesex): No, but for a number of years past.

Mr. DEACHMAN: I am going back to a time when express and freight rates were high in order to see if our friend the Minister of Transport (Mr. Howe) is getting away with too much.

Mr. ELLIOTT (Midfdlesex): I quite agree, and I shall be glad of the assistance of everyone to see if we can get a little more out of the Minister of Transport.

Mr. RYAN: I should like to ask if there was not a substantial cut in the subsidy paid the Canadian Pacific on the Atlantic service.

Mr. ELLIOTT (Middlesex): Yes, I am advised that is correct. Offhand I cannot give the amount, since that comes under the Department of Trade and Commerce.

I should like to say just a word to my right hon. friend the leader of the opposition, for whose opinions I have a great deal of regard, particularly with respect to financial matters. For the transatlantic service payment is made on the basis of space, as he has said; for the transpacific service payment is made on the weight basis. I am told positively that the estimate of $300,000 is a fair one, but I shall be very glad to have it reviewed.

Mr. BOTHWELL: On page 38 of the estimates we have an item of $2,087,470 for mail subsidies and steamship subventions. Surely it should be possible to analyse item 135 and show just what portion applies to mail subsidies and what portion to steamship subventions.

Mr. BENNETT: The hon. member for Swift Current undoubtedly remembers some of the representations which were made in communications directed to members of the house in times past with regard to the cost of the movement of mails in relation to subsidies. I quite agree that we should be able to break down that item. I was going to ask the minister, if I might, in view of the position which he discloses, if he thinks the revenues will bear a reduction of postage to the two cent rate again.

Mr. ELLIOTT (Middlesex): I am not going to express any opinion on that. All I can say to my right hon. friend is that apparently the opinion of this committee is that we are undercharging ourselves in connection with certain items that should be charged against the Post Office Department. I suppose a great deal will depend upon just how the finances work out. While the situation is encouraging from the old standard of bookkeeping, it is not very encouraging from the standard which has been adopted by various other governments, including the government that was in power before us.

Mr. BENNETT: Would the minister think it too much if I asked him to give an indication of how that item is made up? I should like to have on the record how the revenue is made up; it will be helpful for the future.

Mr. ELLIOTT (Middlesex): I shall be glad to give that information, and I want the committee to understand that as far as I am concerned I consider all these questions helpful. I must confess that frequently I find myself in doubt in regard to many matters. Even after having been in the department for a year, I do not know it nearly as well as I should think would be possible for a person who had been there longer.

Mr. BENNETT: I understand there is one gentleman in the department who hardly knows the minister.

Mr. ELLIOTT (Middlesex): Certainly he is missing a great deal.

Mr. BENNETT: I am told that it is involuntary on his part.

Mr. ELLIOTT (Middlesex): It must be.

The total revenue for the year 1936-37 is:

Postage stamps, postcards, etc. ..	$28,205,589 10
Postage paid in cash on newspapers..	1,808,570 77
Postage paid in cash on third class printed matter..	920,590 86
Postage paid in cash on metred mail..	4,032,781 43
Postage paid in cash on parcels..	3,372,791 51
Postage paid on gold shipments..	35,989 65
Rents on letter boxes and drawers..	313,403 83
Commission received on money orders..	1,484,457 55
Commission received on postal notes..	295,000 00
Commission received on foreign money order business..	5,921 97
Profit in exchange on money order transactions with other countries..	24,707 11
Postage on parcels from other countries..	439,954 28
Transit charges on correspondence from other countries. ..	180,525 80
Collections from the sale of rural mail boxes..	18,556 00
Lapsed postal notes..	8,000 00
Lapsed money orders..	15,706 49
Miscellaneous revenue..	15,653 05
Deductions	
Salaries and allowances paid to postmasters at revenue offices.	$6,353,740 02
Discount to stamp vendors and postmasters and compensation to messengers for special delivery of letters..	321,006 29
Losses by fire, burglary, etcetera.	2,484 14
Loss in exchange on foreign money orders..	916 77
Commission paid to other countries on money order business.	12,545 94
Postage on parcels to other countries..	82,096 99
Transit charges on correspondence to other countries..	74,745 04
Indemnity paid to owners on lost insured parcels.	20,629 37

Mr. BENNETT: That is the break-down?

Mr. ELLIOTT: Middlesex): Yes.

Mr. COLDWELL: To-night we have listened to a profitable discussion. The contribution made by the leader of the opposition in bringing to our attention the manner in which post offices are run in New Zealand and Australia should prompt the committee to inquire into ways and means of operating this great public utility on a more businesslike basis. I have not been a member of the house for very long, but during my short stay I have had all kinds of persons speak to me regarding the manner in which rural mail contracts and post office appointments are undertaken and made. As I am a non-government member, of course that does not mean that one has been approached for such appointments, but it does mean that in Canada, to a great extent apparently, the post office is looked upon as an arm for political patronage.

It seems to me that in all probability many of our troubles in the Post Office Department proceed from that particular cause. Where you have that kind of appointment and that kind of operation I believe you have inefficiency. As one who a few years ago had to make some investigation of the civil services of both New Zealand and Australia, I know that the efficiency of their services is due largely to the fact that they have been removed from political patronage. The sooner hon. members face the matter squarely and realize that we shall never have our post office or any other institution efficient until we remove political patronage from the service, the sooner shall we have the service for the benefit and use of the people of Canada.

Mr. MacLENNAN: Is it not efficient now?

Mr. COLDWELL: No, it is not. The fact that we had the statement brought down in the way in which it has been brought down in the last two years proves that we know nothing about the service in detail. The discussion we have had to-night regarding subsidies and payments for the carrying of mail shows that so far as we are concerned we have no conception of the business basis of the Post Office Department. When an organization such as that department cannot produce before the House of Commons a statement giving us a more approximate idea of the relative costs of the various services, and the relative receipts, such department is not efficient.

Mr. MacLENNAN: The hon. member attributes it to politics?

Mr. COLDWELL: To a very large degree I attribute it to political patronage within the service.

Mr. ISNOR: Included in the item is the salary of the superintendent of air mail service. I do not know whether I am entitled to discuss that phase of the matter at this time, but—

Mr. ELLIOTT (Middlesex): That amount was passed under the civil government vote; however, so far as I am concerned I have no objection. The only point I make is that I should not like the doors to be opened wide, and to go back to discuss all persons who come under the civil government vote.

Mr. ISNOR: I purpose discussing it, not in a personal way, but rather from the standpoint of the service. Before doing so I should like to express my pleasure at seeing the increased revenue derived by this department in the past year. I know that in the east we had an exceptionally busy Christmas season. The Nova Scotia newspapers gave glowing accounts of the efficient service rendered by the post office employees, and I wish to take exception to the remarks of the hon. member for Rosetown-Biggar—

Some hon. MEMBERS: Hear, hear.

Mr. ISNOR: —when he speaks of the inefficiency of employees of the department. I come in close touch with the Post Office Department in Halifax, the centre for Nova Scotia, and I want to say that we have an exceptionally efficient and loyal staff. I believe the same condition applies equally throughout the whole province.

May I point out that we of the province of Nova Scotia appreciate the air mail service given in New Brunswick and Prince Edward Island, but unfortunately that service has not yet reached Nova Scotia. Ours is still the only province in Canada which is not served by air mail. May I draw particularly to the attention of the minister the fact that I believe we are entitled to the service, along regular lines. However, at this time the department has received from one of the air mail lines an offer under which it will not cost Canada a single cent to provide air mail service to Nova Scotia. With an offer such as that before it, I fail to understand why the government has not accepted the service and put it into operation in Nova Scotia. I draw the matter to the attention of the Postmaster General in the hope that he will not lose much time in giving air mail service to our province.

Mr. COLDWELL: May I make a correction, because I do not wish to be misunderstood. I was not criticizing the efficiency of the permanent employees under the civil service commission, but was discussing more particularly the service in the rural areas and the patronage to steamship and railway lines. I was not referring to the general, permanent service.

Mr. BOTHWELL: What particular complaint has the hon. member for Rosetown-Biggar about the rural service, and where does he believe the Post Office Department loses money through any patronage he might have seen exercised in his district?

[Mr. J. C. Elliott.]

Mr. COLDWELL: I am pleased to answer that question. I would say that efficient people carrying the mail and running the post offices are changed sometimes when there are changes of government. It requires a considerable amount of time for a man or a woman to become efficient in a new job. Every time there is a change a new official must be trained, and I say that is a source of inefficiency. It lowers the morale of the whole service.

Mr. BOTHWELL: I can speak only of conditions as I know them, and I must say that I am not very favourably impressed by some of the work that has been done by the civil service commission. In the constituency which I have the honour to represent I know of instances where men have been appointed by the civil service commission to jobs for which they were in no way qualified. I know of one man who obtained marks of 98 per cent in the examination and yet was passed by in favour of a man who knew practically nothing about the work to be done. That is aside from the Post Office Department. I have represented my constituency since 1925 and during that time there have been only two changes in postmasters. These changes were not made because of political patronage. One man was using the post office as a recruiting ground for a political party, and when the citizens of the district protested he refused to desist. Such a man was not fitted for the post he held and he was dismissed. If that could be called political patronage, then there was political patronage. After looking over the situation for many years in my constituency, I have not seen any inefficiency. I do not believe the charge made by the hon. member for Rosetown-Biggar is correct, unless the situation in other parts of the country is different from that which I have observed in mine.

Mr. REID: I should like to say a word or two on behalf of the rural mail carriers. These carriers do not come under the civil service; they are not appointed through patronage, which might perhaps be better; they carry on under the tender system. There are men in this country carrying the mails for less than the service is worth. They also have to make a considerable capital investment to provide motor cars. These people should be protected even against themselves. I should like to see the Postmaster General (Mr. Elliott) give some consideration to these rural mail carriers.

Another point to which I should like to refer is the order in council which stipulates that twenty per cent of the permanent staff

must be temporary. This places a great hardship on many postal employees. Some of them must work ten, fifteen or twenty years before they are placed on the permanent staff. During those years they are precluded from contributing to the superannuation fund. I ask the Postmaster General if something cannot be done to permit men who have been postmen for, say three, four, five or six years to be placed on the permanent staff and not to allow them to go into old age while still on the temporary list.

Mr. McIVOR: As a new member I was surprised that I did not have to pay any postage on the letters I posted. If the Postmaster General and his staff did not do anything but carry the letters of the 245 members of this house, they would certainly be deserving of commendation. A dollar a day for 245 members—the hon. member for Huron North (Mr. Deachman) is not here—for 100 days, which would be a short session, would mount up into the millions.

Some hon. MEMBERS: No.

Mr. McIVOR: I am not a mathematician.

Some hon. MEMBERS: Hear, hear.

Mr. McIVOR: I want to say that I am better able to pay my postage now than I was before I came into the house. I think members of parliament should pay their own postage and thus put the post office on a paying basis. I have just one criticism to make. I should like to see the letter carriers get their holidays on Christmas day and Good Friday.

Mr. ISNOR: I should like an answer to my question with reference to the air mail service.

Mr. ELLIOTT (Middlesex): I have been trying for some time to get around to answering my hon. friend, but there seems to be so much zeal in offering commendation of the present system that I have not had an opportunity. With regard to Nova Scotia, I may say to my hon. friend that it will be a great pleasure to the officials of the department and myself when we reach the time when we can give the service to which he has just referred. I may say that this matter is receiving serious consideration and I hope to be able to make some reply before very long.

With regard to the hon. member who spoke last (Mr. McIvor), I want to say that he stands in a class by himself. I have been in this house for a good many years and his is the first protest I have ever heard against the franking privilege granted to members of the house.

Mr. REID: His mail must be light.

Mr. ELLIOTT (Middlesex): Perhaps I could answer two or three of my hon. friends who have spoken. As far as Christmas day and New Year's day are concerned, I do not see how it would be humanly possible to do without a service on those holidays. If I recall rightly, the receipts for the month of December were a little over $403,000 more than they were a year ago. Indications very early in the season were that this was going to be an unparalleled Christmas season. Apparently this was some indication of how the people of this country felt toward one another. May I refer to the city of Toronto—I do not want to pick out any particular place because I have not always picked out Toronto—

Mr. MacNICOL: It is a good Tory town.

Mr. ELLIOTT (Middlesex): —as the city that has sent the best representatives to parliament. However, it has been improving in this connection. Perhaps my hon. friend will sympathize with the officials of the department when I tell him that on one day just preceding the Christmas rush 5,000,000, less 1,000, pieces of mail, incoming and outgoing, were handled in Toronto alone. I should like to say a word with regard to what happens when Christmas day or some other holiday follows a Sunday and a rush is on. I had better explain this, though perhaps I am trespassing on the time of my colleague who is to follow me. We were having Christmas day and other holidays following Sundays. In the large cities, if delivery is not made on Saturday afternoon, the mail that comes in after seven or eight o'clock on Saturday morning stands over until Monday. This year the mail received in the large cities on the day before Christmas and on Christmas day was substantially larger than in previous years. It must not be forgotten that formerly there were deliveries on Christmas day, New Year's day, and all these holidays, and now we are giving to those who handle the mail time off for the hours they serve on the holidays which have been granted them from time to time.

Mr. LENNARD: Are those employees satisfied with those conditions?

Mr. ELLIOTT (Middlesex): I think the best answer I can give my hon. friend is that a large deputation representing the trades and labour council interviewed members of the government shortly after these changes were put through, and there was not a single protest against the changes.

Mr. GREEN: Perhaps I might ask a question.

Mr. ELLIOTT (Middlesex): I should like to complete my answer to the hon. member before I reply to any other question.

Mr. GREEN: I wished to know whether the minister had had any protest from postal employees in the various cities. I am sure there have been protests from Vancouver.

Mr. ELLIOTT (Middlesex): Yes, we have had protests. I doubt whether my hon. friend was listening to what I was saying. I said we had a large delegation from the trades and labour council, voicing their grievances and asking for certain changes which they thought should be made, and there was not a mention by any one of them of this matter of mail service on holidays. There have been deputations, but I might mention that this arrangement was arrived at only after serious consultation with representatives of the mail service from one end of Canada to the other.

What would have been the position if the change had not been made? We would have had people carrying, on the morning after Christmas, much more mail without any additional pay. We are now paying them extra. It is our intention to ask for an additional sum of about $185,000 to pay for deliveries on holidays and for the time, between now and March 1, that it will take to work off that over-time. It was thought that that work should be done to a large extent by people who are without jobs, and that the working off of the over-time should proceed during what is, to unemployed men, the hardest period of the year, namely between December 15 and April 1. I am assured by some of those who are affected that it has been a veritable godsend to them to have that extra work at Christmas and to have the prospect of additional work in the first three or four months of this year.

Mr. BAKER: With regard to Christmas work, one postman told me he was grateful to be able to deliver on Christmas day because he received in Christmas boxes twice the amount he had ever received before.

Mr. ELLIOTT (Middlesex): There is no question about that. You can always get an agitation; they are much easier to start than to stop. But I may say there is no serious agitation against this arrangement. In certain sections serious objections on religious grounds have been made, but we have throughout this country a pretty good class of postmasters, exercising a wise discretion, and except in the larger places, where the mail can be delivered by midnight on Christmas eve, there is no great amount of pressure exercised for more than one delivery on Christmas day. We want to accord to those who object on religious grounds the greatest privileges possible, but I would say to them—and I know they are conscientious—that in the households of many of them they have maids working who are doing much more work on Christmas day than they do on any other day of the year. The same applies to New Year's day. Then there are the telegraphers from one end of the country to the other who work competitively in sending out messages at Christmas, which necessitates much heavier work on Christmas day than on any other day of the year. The same applies to those engaged in work on the street railways, the trains, and various other services. All we are trying to do is, in view of the necessities of the time, to have the mail delivered in an orderly way. Take the city of Montreal: with the immense amount of mail received there this year, if there had not been a delivery on Christmas day the Christmas mail would not have been all out by the following Saturday.

Mr. HEAPS: How was it done in previous years?

Mr. ELLIOTT (Middlesex): It was done, until a few years ago, in exactly the same way as we are doing it now. Then they got New Year's day, and later on, Christmas day, and may I inform the hon. member for Winnipeg North (Mr. Heaps) that what was said by the hon. member for Eglinton (Mr. Baker) is absolutely true—the great majority of these postal carriers get much better treatment if they deliver their mail on Christmas day than if they wait until the day after. Also, Christmas cards this year were much more numerous than they ever were before in the history of the department. That, I think, is a hopeful sign of the times.

Mr. DUNNING: A sign of good government.

Mr. ELLIOTT (Middlesex): What does a Christmas card mean if delivered the day after Christmas? The thrill has gone, as my hon. friend (Mr. Heaps), who, I suppose, gets more of them than any other member of this house except the hon. member who is sitting beside him (Miss Macphail), should know. After Christmas has gone, there is not much thrill in getting a Christmas card.

As to the mail carriers, I think I should deal with them at this time.

Mr. MacNICOL: The minister is out of order. A number of members wish to talk on that subject.

Mr. ELLIOTT (Middlesex): I thought I would do away with the necessity of that if I answered my hon. friend now. With regard

to the rural mail carriers, first of all it would be necessary to change the act. By section 67, contracts for the transportation of mail, if the amount is over $200, must be advertised for a certain length of time and then let to the lowest competent tenderer who furnishes proper sureties. There is nothing new about the tender system. What would my hon. friend say if, when we were letting a contract, for instance, for one of these buildings, it was not accepted because somebody bid too low? When I was Minister of Public Works a number of people bid so low they failed. The confederation block is an example. The receiver went on and completed it. These people tender at a certain price. Their tenders are not known to anybody else, and the man who tenders at a particular price knows he would rather have that job at that price than not have it. Let me give an example of what happened in one of the rural routes out here. Where we used to have, a few years ago, six or eight tenders on a rural route we had forty-two tenders. I would not be sure about this, but I believe I had a representative from every one of the forty-two, the highest of which was more than double the lowest, wanting the contract at the lowest tender. These people are driving out through the country serving people who are working perhaps longer hours at harder work for the same amount of money they are getting, and I know of very few mail carriers who want to throw up their job at the present time. I should like to see them get more; they will get more as times improve, and I believe we have definite evidence that times are improving. I know, having made that statement, it will render unnecessary any explanation to the hon. member for Parkdale.

Mr. MacNICOL: I shall not refer to the matter the minister last spoke about, but I want to refer to something he said in reference to Toronto in connection with engaging a large number of temporary posties to permit the regular posties having a few days off after Christmas in compensation for having worked all Christmas day. A postie called at my neighbour's house shortly after Christmas and as he was a stranger to the community he was asked where he came from. It turned out that he did not belong to Toronto but came from one of the Yorks. I happened to accost him a day or two afterwards and I learned that he had a temporary job—I suppose a job such as the minister has referred to—and I understand that it will last perhaps until the first of March. I would not for a moment charge the minister with being partisan. I know he is far too broad-minded to issue orders that all these extra postal employees should belong to the Liberal party. He would not do anything like that.

Mr. ELLIOTT (Middlesex): I am glad to hear the hon. member say that.

Mr. MacNICOL: I like the broad view he takes of these matters and I know that if he had his way, when these poor unfortunates wanted jobs, he would issue an order to the authorities in Toronto to engage men just as they came along without regard to their politics. But I made inquiries myself, and with respect to all those about whom I inquired I found that back to their great-grandmothers —at any rate as far back as the inquisitor could go—they were supporters of the Liberal party. I know the minister does not want anything like that, and I should greatly appreciate it if he would instruct the authorities in Toronto it is his wish that in the selection of these temporary employees no questions should be asked concerning their politics. I should like him to issue a warning to the Liberal association there not to send letters to these applicants requiring them to have cards of the Liberal association. Let him warn the officials in Toronto it is his wish that anybody, Jew or Gentile, Hottentot or Greek, Grit or Tory, or anybody else, shall be equally welcome to be engaged by the department.

Mr. ELLIOTT (Middlesex): I think my hon. friend knows the standing of the postmaster in Toronto in charge of the work there.

Mr. MacNICOL: A very capable man.

Mr. ELLIOTT (Middlesex): One of the most capable men who can be found in any service, and that applies to most of the employees throughout the whole postal service, notwithstanding what some of my hon. friends have said to-night. His instructions were to get the best men who could be obtained for this work, and from what my hon. friend says, I gather that he succeeded.

Mr. POOLE: I want to ask the minister, in view of his avowed intention of giving us a more simplified statement, whether he would recommend a change in the present practice of using postage stamps on cheques. I have raised this question because if the excise stamp were used, the proceeds would go into the consolidated revenue fund and in that event I believe the Post Office Department might show a deficit rather than a profit.

Mr. SPENCE: It is amusing to hear the Postmaster General in his present vein of talk, and I wish to congratulate him upon the

amount of information he has brought to the house. He has brought down more than any Postmaster General has done since I have been a member. No doubt this is due to the questions put last year which he has endeavoured to answer to-night. There is no general complaint at all about the Postmaster General or about the personnel of the Post Office Department, because our Canadian postmen cannot be excelled. But the hon. member for Davenport (Mr. MacNicol) mentioned something which is no doubt true, that politics was played to some extent at Christmas and has been since then. It was intimated that 200 letter carriers were required and an examination was held for the purpose of establishing an eligible list in Toronto; yet, from that day to this, that eligible list has been filled through hon. members who sit in this house, representing North York and one of the Torontos. They can go to the postmaster with three or four names of persons and they are appointed. Then people say to me, "My goodness! Have you lost all your prestige?" I reply, "I have nothing to say just now; go to my friends or to the defeated candidate; he may help you to get an appointment." We never played that game in Toronto until this Christmas. I was closely associated with the Post Office Department and the Public Works Department as the minister knows, and I can assure the committee we never played politics. The work was divided among the different ridings and the returned soldiers got their share. The thing was fair. This year, however, it was an absolute racket, and I am sorry to say the returned men received little consideration. The hon. member for York North (Mr. Mulock) and the hon. member for Spadina (Mr. Factor) were the ones who filled every job they could find in the post office. I am glad to say, however, that our party never played a game of that kind, because we divided the work.

We have heard a great deal to-night about estimates, gross receipts and so on, but at no time have I ever found a Postmaster General able to tell us anything beyond gross receipts; he never knew the expenditures. To-night we have received some information, but I do not think we have yet had sufficient to satisfy this committee that the Postmaster General or anyone connected with the department is running it efficiently. This is due largely to the fact that the Public Works department and the Department of Trade and Commerce do not keep track of the services they render to the post office, the cost of carrying mails on the ships, and the cost of buildings supplied by the Department of Public Works. That department should have a proper accounting system and charge for each building separately on the basis of its value. The minister said to-night he thought he was paying fair rentals, but we do not know what they may be. He may estimate that postal station A at Toronto cost only $10,000, but it cost $500,000. How does he estimate this fair rental? Does he base it on four or five per cent of the value? I think at least five per cent should be taken. What is it in Toronto?

Mr. ELLIOTT (Middlesex): I have before me a list of all the buildings; I shall be glad to give it to my hon. friend.

Mr. SPENCE: No; we do not want to take up the time of the committee. If the minister can give the information in regard to Toronto, that will be sufficient. While he is looking it up, let me say it is no wonder the post office does not pay; it costs too much for franking privileges. If you went from here to-night on the Toronto train, to-morrow morning at station A you would see the postmen unloading bags of mail piled up ever so high, all franked from this house. Half of the publications from the different departments, and particularly the Department of Agriculture, should be eliminated entirely. We are breaking the backs of the postmen with the weight of the mailbags strapped over their shoulders, and mostly carried for no purpose.

Mr. BRADETTE: Why the agriculture department particularly?

Mr. SPENCE: All the departments. I am not going to say we should not have the franking privilege from this house, because it would make it very difficult for some hon. members if we did not have it. It would not for me, because I send very little, but I see hon. members sending out stuff that would cost them five or ten dollars a day.

Mr. BAKER: An abuse of the privilege.

Mr. SPENCE: I think the minister said it cost over a million dollars.

Mr. MULOCK: Will the hon. member permit a question? Did he mention that before the last general election?

Mr. SPENCE: No; at the present minute. I will bet you a hundred dollars that to-morrow morning—

The CHAIRMAN: Order.

Mr. SPENCE: And it will be worse before the next election, if things go on the way they are. The hon. member had better keep quiet or I will tell a little story on him. I am not as dumb as he may think I am.

Mr. MULOCK: We never suspected that the hon. member was dumb.

Mr. ELLIOTT (Middlesex): If I am not interrupting, I can give the estimated rentals for Toronto. This statement shows the yearly rental value including heating, lighting and cleaning of space occupied by the Post Office Department in public buildings throughout Canada, together with yearly cost of space in rented buildings, including all services. I am not sure that I have all the Toronto buildings; I do not think I have them all in one place. There is the Toronto general post office, apparently the rental value put on that is $14,000; Toronto terminal A, $185,247; station C, $3,285; station D, $2,210; station F, $5,680; station G, $7,370.

Mr. SPENCE: I must say that the figures are very fair. Those are fair rentals. I am glad the minister is now establishing a system of carrying on the post office in a business-like way. I shall give the Postmaster General credit for the fact that he has given us more information to-night than we have ever received before, and if he keeps on improving he will do better yet.

Mr. HEAPS: He might join the Tory party.

Mr. SPENCE: No; I am not one of those who cannot see some good in my Liberal friends—if there is any good in them.

Mr. DUNNING: Oh! Just when you were being nice!

Mr. SPENCE: I can see some good even in the hon. member for York North, although he trimmed us badly and stole all the jobs from us. He has some good qualities. However, that is getting away from the subject under discussion. A proper accounting system should be kept so that we might know the gross earnings and net profit of the post office, as in the case of any other business. This could easily be done.

Mr. BAKER: I wish to confirm what the hon. members for Davenport and Parkdale have said, not saying that patronage has never been exercised, but surely it is going too far when, for purposes of patronage, employees for post office service in Toronto during Christmas time, and even now, are hired from outside the city. Surely there are enough unemployed in Toronto, without bringing men in from outside. This is carrying patronage too far. There is a limit to how far the game should be played.

Mr. MULOCK: I do not know why my hon. friend should object so much. It seems to me that in the past many voters from Toronto used to come to North York.

Mr. BAKER: That has nothing to do with what I said at all.

Mr. SPENCE: Mr. Chairman—

The CHAIRMAN: Order. I do not like to interrupt the hon. member for Parkdale, but the hon. member for Winnipeg North (Mr. Heaps) has the floor.

Mr. HEAPS: I do not like to interrupt the hon. member for Parkdale (Mr. Spence) but I cannot help thinking how interesting it is to find my hon. friends to my right objecting so strongly to patronage. It appears to me that there is always an objection to patronage on the part of hon. members in that section to the left of the Speaker.

Mr. BAKER: I do not object; I say there should be a limit.

Mr. HEAPS: The hon. member's objection is not to patronage in principle but to the way it is carried on. In fact, if patronage were confined to the constituency of the hon. member it would not be so bad, but it is when someone from outside intervenes that patronage is bad, in whatever way it is carried on. I think the present Postmaster General has been good in comparison with his predecessors, but I wish he could eliminate patronage entirely. It would save him a great deal of trouble if he did. The number of jobs given by a member at Christmas time may amount to a dozen or a hundred as the case may be. If the opportunity were given to me of handing out patronage I would not want to take it. I do not think it is right that any member of this house should exercise patronage at all. The hiring of employees should be left entirely to the discretion of the officials of the various departments of the government, and members of parliament of whatever stripe should not interfere. After all, we expect these departments of the government to be run efficiently, and there cannot be efficiency if members of parliament keep interfering with the administration. The best thing that could happen, from the standpoint both of members of parliament and of efficiency of administration, would be for the officials of the departments themselves to have complete control of the men and women employed under them. I know the condition complained of has existed for a number of years. I believe the Post Office Department during the regime of the present Postmaster General has been freer from this fault than in former years.

Mr. SPENCE: Not in Toronto.

Mr. HEAPS: Toronto has always been a bad spot. Possibly, if the members from Toronto would get together and appeal to the Postmaster General, he might see that the abuses which apparently were prevalent during the last period when temporary employees were hired, do not occur again. To-night I would appeal to the Postmaster General to see to it that in future years, when extra help is required for the postal service of this country during the Christmas rush, help is hired from the regular employment agencies or other agencies of a similar kind.

Mr. MacNICOL: Or from the available list.

Mr. HEAPS: Or from the available list if that is the desire. It is most unfair, if what has been pointed out is true, that at the behest of a department of the government men should prepare for examinations; that they should write those examinations and perhaps be first on the eligible list, and then that a member of parliament should come along and practically eliminate the list, by employing a few preferred individuals instead of the men who happen to be on the list. I do not think anything could be more unfair than that. There is nothing that brings parliament or a member of parliament into greater disrepute than things of that sort. We would all be better off if we could eliminate patronage from our activities and give our jobs to the most efficient men available for the kind of work that is to be performed.

If I may say a word further, Mr. Chairman, the situation of the postal workers has been discussed this evening. On behalf of our Canadian postal workers I wish to say this: I think they are an efficient set of public employees, and further I believe that they are prepared to cooperate and assist to the full in an endeavour to make of the Post Office Department an efficient public utility. That being so, I think the way the postal employees were handled by the government or by the officers of the Post Office Department just prior to the Christmas rush was most unfair and, I would add, most unfortunate. It was a bad thing. It is wrong in principle to take away from the employees the holidays they have enjoyed for so many years. The fact that maids may work on Christmas day, that the telegraph companies may operate, that trains may run, that street railway lines may operate, does not in any way excuse the Post Office Department for compelling these postal workers to deliver mail on Christmas day. There is no analogy between the postal service and, say the operation of a street railway system, for the simple reason that a transportation system is essential, and it is necessary that it operate every day of the week. On the other hand, it is not so essential that mail be delivered twice on Christmas day, for the very obvious reason that when a postal worker takes mail to a business section on that day he finds practically all the stores and offices closed. I believe it was the experience of many men delivering mail on Christmas day that they had to take back to the post office a great deal of the mail; at least that is what I have been told by some of the employees who were delivering mail on that day. So I say there is no analogy. If, as the Postmaster General claims, it is wrong for maids to be working and wrong for other services to operate on Christmas day, I do not see how he can argue that two wrongs make a right, and really that is what his argument amounts to.

More than that, however, I object to what was done because I believe there was an important principle involved. It is this: I believe this government is in favour of the principle of collective bargaining; at least I hope so. It has been stated many times by hon. gentlemen opposite that they are in favour of that principle. It is against the principle of collective bargaining between employee and employer for the government, as the employer in this case, to lay down a set of rules and say to the employees, who have had no opportunity of discussing the rules with their employers, "You have to abide by these rules whether you like it or not." That is really what happened in regard to the change of hours.

Mr. ELLIOTT (Middlesex): May I just correct my hon. friend. Before the details were arranged, the first question asked was, "Are we going to be paid for this overtime?" They discussed the matter with the officials of the department, principally with Mr. Underwood who is in charge of that branch, and while they would have preferred cash for the overtime, I think the great majority of them were fair enough to see that they, having jobs already, should be satisfied that somebody who was without a job should get paid for that extra time. That was what took place.

Mr. HEAPS: May I ask the Postmaster General if this arrangement, this change in the hours and conditions of labour, was taken up by the officials of the department with the unions concerned?

Mr. ELLIOTT (Middlesex): I do not know about the unions; I know that before the details were settled the postal employees met with the officials of the department. I

do not know whether they suggested the interview or whether the department suggested it, but they were here and the discussion as to working out the details lasted a whole day.

Mr. HEAPS: Can the Postmaster General inform the committee as to who were here?

Mr. ELLIOTT (Middlesex): I think I have the names, but I could not give them offhand.

Mr. HEAPS: I do not want to know the names of the individuals, but I should like to know whom they represented. I have not the information before me; it is up in my room, but I am told that the men themselves were not consulted as to these changes. So far as they were concerned, there were notices posted in the various post offices, and they had to abide by these new regulations. I feel that our government, as an employer of labour, should be a model employer. When the government makes changes which may arouse resentment among those affected, such changes should not be brought about until the men themselves have been consulted so that a more amicable adjustment may be arrived at between the government and the men concerned. The Postmaster General and the officials of the department may have different information, but I am told that this was not done in this instance. I know that in Winnipeg a mass meeting was held and a good deal of objection was expressed to the new regulations which were put into effect by the Post Office Department. I know from the expressions of opinion at that meeting that practically all those attending certainly would have liked to have Christmas day off instead of being compelled to take out two loads of mail on that day.

Mr. POULIOT: The hon. member for Winnipeg North (Mr. Heaps) did not speak as a vulgar politician. He spoke as a statesman, and a statesman has no time to receive his electors. He is so busy studying the important problems which may affect the nation that he cannot do anything for the poor little fellow who would like to have a post office in his range or his township just for the convenience of the people around him, the twenty, thirty or forty families who would like to have a post office for their greater convenience. I cannot picture one of those men passing an examination set by a civil service commission which does not know anything about local conditions. Everything is left to the wisdom of the Postmaster General and the officials of his department, who decide first whether it is in the public interest to establish a post office there, and later whether this one or that one should be appointed postmaster.

My hon. friend does not know about the funny ways of some Tories. I know them better than he does. It is not my custom to trouble anyone in regard to a post office provided that the Tory incumbent does not boast of the fact that he stays there when a Liberal has not a job. The hon. member does not know about all the conditions in the country. He thinks he does, but in fact he does not. He represents a constituency in a very large city, but if he represented a rural constituency in Ontario, Quebec or even Manitoba he would possibly have one of his strongest opponents acting as postmaster in that small locality. That Tory would say, "I am here and I defy the member to dislodge me." That causes some trouble. The member must receive complaints from here and there saying, "That fellow should keep quiet; he has a government job, and he should do his work as postmaster. He should not provoke people. He should not go from house to house canvassing and saying 'I am against him. I have my job and he cannot dislodge me'". That is pretty brassy, and when it is done to the knowledge of the member, the only action left for him, in order not to create trouble for a Tory but to have peace in the community, is to write the Postmaster General and say that within his knowledge so-and-so is creating disturbances by canvassing openly, despite his government job.

That is one point. May I tell the hon. member that I do not believe in the merit system of the civil service commission. He does believe in it, because he does not know about it. I have before me an advertisement for the position of supervisor of time service, and micro-analyst. If anyone approached the hon. member in connection with that job he would say, "I have nothing to do with that; go to the civil service commission." Well, some supporters of the hon. member may admire him for his statesmanlike speeches, but at some time or another they may want a little chance somewhere. We Liberals and Conservatives understand that very well. We try to favour our friends to the greatest extent. We are just vulgar politicians, but the hon. member is a statesman and he will say to that particular man, "Joe"—or Abie or Enoch, as the case may be—"I have nothing to do with that job. You must go to the civil service commission and enjoy the fruits of the merit system. You must fill out your application for the examination, and then if you are the best competitor you will

get the job, under the merit system. I have nothing to do with it." Then my hon. friend makes a wonderful speech about the League of Nations, hours of work or something like that, and does not give anything to anyone. I cannot understand why the hon. member is elected; it is contrary to human nature.

Mr. HEAPS: I might repay the compliment to my hon. friend.

Mr. POULIOT: I cannot understand. Everyone who supports the hon. member may accept his views, support his ideas and believe in his speeches, but on the other hand it is human nature to expect something in return. Hon. members opposite, good Conservatives, understand that very well. I see some who have taken part in provincial politics, and the same condition obtains there. You try to reward your friends the best way you can; it is legitimate.

Mr. HEAPS: "To the victor belong the spoils."

Mr. POULIOT: Not so much as that; my hon. friend is all wrong when he says that. I do not believe every postmaster should be fired at each change of government. My idea is that two Tories should be fired for every Liberal who was fired by the previous Postmaster General.

Mr. SPENCE: You started it.

Mr. POULIOT: One must be honest about this. Afterwards the other Tories keep quiet and remain in their jobs. But when someone is troublesome or is a source of disturbance in the community he should see the long hand of justice, the long hand of the Postmaster General, reaching out to him and taking his post office from him.

The hon. member for Winnipeg North is a child, if he believes in the merit system. He knows very well that one of the officials of the civil service commission is still in gaol because he was selling jobs. He must know that, because it was in all the papers.

Mr. HEAPS: The Prime Minister believes in the merit system too.

Mr. POULIOT: He is all wrong in that. He knows one poor fellow is in gaol now because he was selling jobs. The hon. member must know very well that there is more narrow patronage in the civil service commission than there is in any department of the government. The hon. member must know, too, that there is a clique here in Ottawa of ten or twelve—

Mr. BAKER: I rise to a point of order. Are we discussing the department of the minister, or the civil service commission?

[Mr. Pouliot.]

Mr. POULIOT: I should like to see the hon. member for Eglinton running against the hon. member for Winnipeg North. But to summarize all I have said: I hope some day I may have a private conversation with the hon. member for Winnipeg North, at which time I shall show him my post office files. I have nothing to hide from him or from anybody else. I shall show him human nature at its best and at its worst. Then he must judge for himself, and he will know more about the matter than to-night he has shown he does.

The CHAIRMAN: Shall the item carry?

Some hon. MEMBERS: Carried.

The CHAIRMAN: Item 275.

Post Office—Outside Service—

Salaries and allowances, $16,713,338.50.

Mail services, including mail services by air, $14,520,000.

Miscellaneous, including $5,000 to provide for payment of compassionate allowances to employees injured while in the performance of their duties or to other persons injured while performing duties in any way connected with the postal service or in protecting His Majesty's mails, or to the dependents of such employees or other persons who may be killed while so engaged, payments to be made only on the specific authority of the governor in council, $1,004,600.

Mr. GREEN: Before the item is carried may I say that while I hesitate to impose on the good nature of our friends on the government side of the house at this late hour, I believe that this question of a postal service on Saturday afternoons and statutory holidays is far more important than they realize. Certainly that is true in the cities, and I can speak particularly of Vancouver.

After all, there are thousands of postal employees across Canada who are affected by this new provision. These men are serving Canada, just as we are serving Canada, and I suggest that their position should receive a little more serious consideration than it has to-night. I know hon. members have not meant to consider the matter lightly, but for example there has been talk about Christmas postcards having to be delivered, as though that were the matter of importance.

I believe the issue goes deeper than that. As I understand it the change was made on December 5 of last year, and it was made by order in council or by departmental regulation. I believe, too, that very little warning or notice was given to the postal service. I understand the post offices were given no chance to prepare for the Saturday afternoon and holiday services. In normal times the staff in Vancouver is short, even without the extra work which was added. No previous

provision was made by the department for increasing the staff. In other words, there was no reasonable or common sense arrangement made to increase the staff to a point where it could handle the extra work.

We find that through the order there is to be a full postal service on Saturday afternoons when practically all business offices are closed. In my own office it is a nuisance to have mail delivered on Saturday afternoon, because it is apt to lie around on the floor or be misplaced by the janitor. I am sure the same observation would apply to thousands of offices across Canada.

Then, in addition there is to be a full—not a partial—postal service in post offices. I assume that service will be given on New Year's day, Good Friday, Victoria day, July 1, Labour day, Thanksgiving day, Remembrance day and Christmas day. On almost all these holidays not only offices but also all stores are closed. Surely there is no need for mail delivery on these statutory holidays. I suggest that there has been no great demand from the general public for mail delivery on these holidays. I understand that postal employees have had their Saturday afternoons and other holidays for many years, so why should a change be made at this time? There is no such thing as overtime pay; a man simply works more one week and less the next. It is all rather uncertain; he does not know what days he will have off. I know there has been the greatest confusion in Vancouver as to when the men will have their time off, and I am sure similar confusion must have arisen in other large post offices.

Will this affect the mail collection service? I understand that contracts for the collection of mail are largely on a six-day basis. Are we to have full mail collections on all holidays and on Saturday afternoons? The minister has said that the extra cost of providing this holiday service will be nearly $200,000. The extra staff required is not being obtained through the civil service commission. In Vancouver the same complaint is made that was made in Toronto. I know that many war veterans were unable to obtain the temporary work simply because they were not of the right stripe politically. It is all very confusing for the service. I understand there has been no request from the public generally for this service. There may have been requests from a few business firms, but I believe that is all. In fact, I understand that the public were more or less surprised when this service was inaugurated.

The Postmaster General has mentioned the difficulty when a holiday falls on a Monday. Surely it would be possible to make special arrangements to handle the mail on these occasions. I suggest that this change is not fair to the postal employees of Canada and that the matter should be given further consideration. It is a step backwards. In British Columbia the weekly half holiday and statutory holidays are provided for by a provincial statute, but here we have dominion civil servants being obliged to work when other employees, with very few exceptions, have the holidays. I think it is unnecessarily disturbing the postal service and I ask the minister to give the matter serious consideration. I believe he would alleviate the condition if he realized how much dissatisfaction has been caused.

Mr. HEAPS: What item are we on?

The CHAIRMAN: Item 275.

Mr. HEAPS: What about item 16?

Mr. ELLIOTT (Middlesex): That was carried the first of the evening.

Mr. DUNNING: In order to clarify the situation might I point out that the committee has been discussing item 275. For almost the last two hours the matters discussed would fall within the limits of item 16.

Mr. MacNICOL: Earlier in the evening I said that the minister was allowing a lot of discussion which was entirely irrelevant. Item 16 is the only item I have heard of to-night.

Mr. ELLIOTT (Middlesex): That was carried earlier in the day. The leader of the opposition mentioned that it had been called "carried" the last time the post office estimates were under discussion, but had not been marked as such.

The CHAIRMAN: I may say to the hon. member for Davenport (Mr. MacNicol) and to the other members of the committee that item 16 was carried. I then called item 275.

Mr. HEAPS: I never heard it.

Mr. MacNICOL: I never heard it until this moment.

Mr. HEAPS: I do not think anyone here heard the word "carried" in connection with item 16, and we certainly never heard item 275 called.

Mr. MacNICOL: Surely you do not expect to carry an item of over a million like that.

The CHAIRMAN: Item 275 is before the committee; item 16 was carried.

Mr. MacNICOL: I did not agree to item 16 carrying.

Mr. GREEN: I spoke before that item was declared carried.

Mr. ELLIOTT (Middlesex): I may say to the committee that I have been following things pretty closely. I am sure if the leader of the opposition (Mr. Bennett) were here, he would bear me out when I say that it was carried and marked "carried." We then proceeded to item 275, which contains many items that were partly discussed the other evening.

Mr. MacNICOL: Item 275 has not been called to-night so far as I remember.

Mr. POOLE: Is it possible for me to have an answer to my question?

Mr. ELLIOTT (Middlesex): I must apologize to my hon. friend, but I have been trying to answer his question. I understand his question was with regard to the stamps issued by the Department of Finance for use on cheques and as to whether some method could be devised whereby postage stamps would be used entirely for that purpose. The stamps issued by the Department of Finance are excise stamps, and I suppose that is why they were issued. However, a large number of postage stamps are used on cheques. There is no way I know of, without incurring an expense out of proportion to the value of the information obtained, by which we would be able to check up how many excise stamps and how many postage stamps are used on cheques.

Mr. POOLE: I do not think the minister understood my question clearly, but I can understand that as there was considerable confusion in the committee. The minister has intimated his intention of giving us a more simple statement and I was asking if he would recommend the use of excise stamps only on cheques, and abolish the practice of using postage stamps. I have made an inquiry at various banks throughout the country and I understand that stamps used on cheques run about forty per cent postage stamps. I understand the revenue derived from the sale of excise stamps goes into the consolidated revenue fund, while that derived from the sale of postage stamps goes into the Post Office Department. When I see an item of $27,000,000 for stamps with a surplus of one and three quarter millions, it might well be that the department could show a deficit rather than a profit. I would suggest that either post office stamps or excise stamps be used exclusively.

Mr. ELLIOTT (Middlesex): I understand for a time it was not permissible to use postage stamps on cheques, but many complaints were made, particularly in the rural districts, as to the difficulty in obtaining excise stamps. I think the preponderance of public opinion is in favour of the system as it now exists. I shall be glad to discuss with the Minister of Finance as to whether it is possible to make some arrangement which will clarify the situation as to the revenue derived from each source.

With regard to what has been said by the hon. member for Vancouver South (Mr. Green), there is always a possibility of making some changes which will be of advantage to both parties. I have not found any lack of cooperation among those who are getting time off for Saturday afternoons and the holiday service that they give, and I think it will be found that they prefer a week's holiday at a time to a half day some Saturday afternoon and odd holidays at other times. I repeat that we shall cooperate with them as far as we can and do the best possible under any circumstances which may arise. We came to the conclusion that we must immediately adopt a system of working on Saturday afternoons and holidays, and we shall make such improvements as we can in agreement with the men engaged in the work.

Mr. GREEN: Is it not possible to work with skeleton staffs on statutory holidays and on Saturdays?

Mr. ELLIOTT (Middlesex): In the smaller places that is being done.

Mr. GREEN: But is it necessary to have a delivery on statutory holidays? Take any holiday, even Christmas; I think the great majority of our people were accustomed to doing without mail on Christmas day. They would rather have the postman get his day off.

Mr. ELLIOTT (Middlesex): As regards the suggestion of skeleton staffs, I can agree with my hon. friend to a large extent so far as the offices are concerned, but in view of our experience so far, I cannot agree with him as regards doing away with deliveries on holidays.

Mr. GREEN: But let us take deliveries on, say, July 1. Is there any reason why the ordinary home owner should get mail on July 1?

Mr. WOOD: It seems to me that the only "skeleton" there will be in the mail service will be the rural mail delivery man. He is the one about whom I am concerned. Much time has been taken up in discussion about these postal men working on Christmas day. It is a repetition of the same old thing; anything that emanates from the urban centres must receive a great deal of consideration.

[The Chairman.]

Yet these postal men get pretty good pay; they also receive free suits of clothes, and I do not think they are deserving of nearly as much consideration as those engaged on rural mail delivery.

I have only two minutes, but I want to take this opportunity of supporting the views of the hon. member for New Westminster (Mr. Reid) with regard to the position our rural mail delivery service is in. We discussed that for a few minutes, but we spent an hour and a half talking about postal service in the cities. In my constituency there is a man who drives the rural mail over a route of twenty-one miles for $445, or $1.40 a day. I appreciate the stand taken by the hon. member for Winnipeg North (Mr. Heaps) on behalf of labour, but I do not know why there is so much consideration for these people who happen to live in the specially privileged centres. Lots of farmers have to milk cows on Christmas day and hurry around in preparing Christmas dinner, very often for visiting aunts and uncles. There should be a little consideration for the class to which I have referred, and I hope the Postmaster General (Mr. Elliott) will appreciate the situation with which we are faced. It looks as though there is going to be an increase in the cost of living. What will be the position of these rural mail carriers when they find the cost of living has become so high that they cannot maintain themselves? It is not very difficult for some high-salaried men to get bonuses. The city postal service employees, I believe, come under the Civil Service Act and are entitled to superannuation. But the rural mail man is not protected in any way. As soon as he is off his job, well, he is off, and whether or how he lives does not seem to give anybody any concern.

The minister has been extremely kind and has given us a great deal of latitude in discussing his department. I very much appreciate his attitude and have nothing but praise for the manner in which he is conducting his department. I do not think there have been many complaints in regard to political patronage. In my constituency, at least, there has been no evidence of it.

I should like to get a statement from the minister as to what will be done on behalf of these poorly paid rural mail carriers in view of the way the cost of living is going up.

Mr. DUNNING: It is quite evident that hon. gentlemen are not going to allow an item to pass to-night. That moves me to say something, in moving that the committee rise, which I think should be said in the interests of the conduct of this committee. The misunderstanding which occurred this evening arose entirely out of our having permitted discussion on an item which was not before the committee. Had discussion been confined to item 16, there would not have been in anyone's mind any question as to whether that item had been passed. In spite of that, for practically the whole of this evening, and most of a former evening, during which post office estimates were before the committee, discussion was permitted over the whole range of the Post Office Department, although according to the rules we should have been discussing item 16, which would have restricted the discussion to the subject matter of the item. I suggest, Mr. Chairman, that there is only one way by which to avoid in future misunderstandings of that kind, and that is to hold the discussion strictly to the item under discussion. I believe it would be in the interests of all of us if that were done, and would prevent future misunderstandings. I move that the committee rise, and report progress and ask leave to sit again. It is understood that item 16 is carried.

Progress reported.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Monday, February 8, 1937

The house met at three o'clock.

FARM IMPLEMENTS COMMITTEE

Mr. J. F. JOHNSTON (Lake Centre): moved that the first report of the special committee on farm implement prices, presented to the house on Friday, February 5, 1937, be concurred in.

Motion agreed to.

TRAP FISHING LICENCES

Hon. J. E. MICHAUD (Minister of Fisheries): With the unanimous consent of the house I beg to move:

That the question of the advisability of the government issuing trap fishing licences in British Columbia waters be referred to the standing committee on fisheries for study and report.

Motion agreed to.

PRIVILEGE—MR. BENNETT

ANSWER TO QUESTION ON FEBRUARY 3 AS TO AGREEMENT BETWEEN WHEAT BOARD AND WINNIPEG GRAIN EXCHANGE

Right Hon. R. B. BENNETT (Leader of the Opposition): I rise to direct the atten-

tion of the right hon. the Prime Minister (Mr. Mackenzie King), not as leader of the government but as leader of the House of Commons, to what I conceive to be a breach of one of the privileges of the house in connection with an answer made to a question asked on February 3 last by the hon. member for Qu'Appelle (Mr. Perley). The hon. member asked certain questions in connection with an agreement connected with wheat, and the answer was this:

1, 2, 3. The subject to which this question relates, namely, the marketing of Canadian grains abroad, is now being investigated by the royal grain inquiry commission, which has not yet reported to the government.

I suggest to the Prime Minister that an answer such as this is not quite in accordance with the rights of parliament, because the question was as to an agreement about which there was some knowledge, and had nothing whatever to do with this royal commission, which may or may not see the agreement. As the commissioner is now engaged in dealing with textile matters, one cannot think that parliament should be put in this position. I would have mentioned it before, but I conceived it to be a matter to be dealt with only by the leader of the house. If any ordinary minister were to undertake to answer questions in this way and the right hon. gentleman were affected he would have something to say much more caustic than the observations which I now make.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I feel sure that in the reply there was no intention to be disrespectful to any member. I understand the question was submitted last year to the commission and is under investigation at the present time. The reply was a statement of fact. However, I shall be glad to discuss with my colleagues the point which my right hon. friend has raised.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

MARKING OF FRUIT AND VEGETABLE SHIPMENTS

Mr. LENNARD:

1. Are the shippers of packages of Canadian fruits and vegetables to the United States required to mark each package with the name of the grower and the country of origin?
2. Is this required of similar shipments into this country from the United States?
3. If not, will the government put a similar regulation into effect?

Mr. GARDINER: Stand.

[Mr. Bennett.]

Mr. LENNARD: I should like to suggest to the Minister of Agriculture that the last two paragraphs of this question could be readily answered. I should like to ask him if he could not give me an immediate answer at least to those parts.

Mr. GARDINER: This is a question which will be answered by the Secretary of State (Mr. Rinfret). I am not in a position to give the answer; it comes from two different departments.

THREE RIVERS—STE. ANGELE DE LAVAL BRIDGE

Mr. DUBOIS:

1. Has the government taken action with regard to the resolution adopted by the House of Commons on March 9, 1936, with reference to the construction of a bridge over the St. Lawrence, between Three Rivers and Ste. Angele de Laval?
2. If not, why?
3. If so, what has been done?

Mr. CARDIN:

1. No.
2. Definite consideration has not yet been given to the proposal.
3. Answered by No. 2.

MORDEN, N.S., WHARF REPAIRS

Mr. BROOKS:

1. Did the Public Works Department have certain repairs made to the Morden wharf, Kings county, Nova Scotia, in the year 1936?
2. If so, what was the amount of money authorized?
3. To whom, and what amounts were paid for the following: (a) wages; (b) material; (c) supplies?
4. Was a special account set up for the purchase of lumber?
5. If so, in whose name?

Mr. CARDIN:

1. Yes.
2. $16,600.
3. (a)

C. B. Dorey, Foreman	$546.43
Irving Graves	319.50
Stanley Maplebeck	322.50
Clarence Graves	230.40
Walter Graves	236.10
Loring Graves	236.60
Paul Graves	227.70
Sable Baltzer	195.00
Chute Baltzer	237.90
Wallace Dempsey	231.30
Charles Dempsey	225.00
Murray Dempsey	196.80
Fred Finlay	231.90
Kenneth Grey	171.30
Joseph McNally	270.30
Clyde Dorey	240.90
Walter Lane	220.50

George Duggan	146.40
Elmer Parks	127.80
Frank Cassidy	126.00
Watson Graves	226.50
Warren Wagner	85.50
Robert Graves	225.00
Haden Barkhouse	59.95
Max Baltzer	28.50
Raymond Miner	23.70
James McGarvey	258.15
Robert Stephens	41.70
Wesley Graves	426.25
Amos Moriarty	347.25
Mason Dorey	430.10
Aubrey Dempsey	43.80
Lemert Dempsey	19.80
Joseph Dempsey	231.55
Maurice Hussey	149.85
Kenneth Weagle	25.80
Thomas Sturk	111.60
James McNally	126.30
Joseph Moriarty	185.10
Lorenzo Dempsey	133.80
Earl Condon	120.00
George Hussey	150.25
Joseph Redgate	83.10
Clyde Lutz	146.40
Joseph Maplebeck	166.80
Denis Boudreau	54.90
James Boudreau	72.60
Vernon Dempsey	30.30
Arthur England	34.80
William Redgate	18.30
Olaf Jordon	32.10
Albert Hannifan	46.20
Milford Wagner	42.30
	$8,918.58

(b) and (c)

S. S. Elfridge, sheathing, lumber, logs, etc	$1,999.80
R. L. Patterson, timber and hardware	1,967.71
L. K. Patterson, bolts and sundry hardware	1,752.66
A. K. Kirkpatrick, sundry hardware	18.03
Clarence Groves, lumber	5.60
H. Woodbury, ballast poles, timber	1,875.62
	$7,619.42

4. No.

5. Answered by No. 4.

OLD AGE PENSIONS—NEW BRUNSWICK

Mr. BROOKS:

1. What is the number receiving old age pensions in the province of New Brunswick under the following headings: (a) pension of $20; (b) over $15 and less than $20; (c) over $10 and including $15; (d) over $5 and including $10; (e) $5 and under.

Mr. ROGERS:

1. The number of persons receiving old age pensions in the province of New Brunswick as at December 31st, 1936, was 9,617. The number under each of the abovementioned headings was as follows:

(a) 614.
(b) 1,122.
(c) 5,888.
(d) 1,689.
(e) 304.

Pensions transferred from other provinces are included in the figures shown above.

RURAL MANITOBA DROUGHT RELIEF

Mr. WINKLER:

1. What rural municipalities in Manitoba have been admitted to the federal relief area on account of drought?

2. On whose recommendation were these municipalities included?

3. Which of the rural municipalities included were recommended by the province of Manitoba?

4. Has the provincial government of Manitoba made requests for the inclusion of the rural municipalities of Stanley and Rhineland in the federal relief area?

Mr. GARDINER:

1. The following rural municipalities have been admitted under the Feed and Fodder Agreement and the Federal Direct Relief Agreement: Albert, Edward, Arthur, Brenda, Cameron, south half, Winchester, Morton, Turtle Mountain, Roblin, Pipestone, Louise, Pembina, Riverside, Glenwood, Sifton, Whitewater.

2. On the recommendation of the provincial authorities.

3. All.

4. The first map submitted by the Manitoba government showed the drought area in Manitoba to include a section of Manitoba in which Stanley and Rhineland were included. An agreement was reached with respect to an area in the southwest corner of Manitoba for which the dominion government would be asked to assume responsibility. It was agreed to admit nine municipalities immediately and to consider bringing in the others later. The understanding reached has been adhered to and no further request has been received from the Manitoba government for the admission of the municipalities of Stanley and Rhineland.

EXPORTS TO UNITED STATES UNDER RECIPROCAL AGREEMENT

Mr. BLANCHETTE:

1. What number of cattle have been exported to the United States to date in accordance with the terms of the reciprocal agreement, and how does this compare with 1935?
2. How much cheese has been exported to the United States to date in accordance with the terms of the said agreement, and how does the amount compare with exports during the year 1935?
3. What is the amount of hard wood and soft wood exported to the United States in 1936 as compared with 1935?

Mr. ROGERS:

1. Exports of dairy cattle to United States in 1936 amounted to 8,194 head, and in 1935 to 6,266 head. Exports of cattle, n.o.p. to United States in 1936 amounted to 224,306 head, and in 1935 to 108,557 head.

2. Exports of cheese to United States in 1936 amounted to 114,564 cwt., and in 1935 to 4,749 cwt.

3. Exports to United States of flooring of hardwood in 1936 were 582 M feet, valued at $28,860, and in 1935, 537 M feet, valued at $25,868. Exports of planks and boards, softwood, to United States in 1936 were 484,804 M feet, valued at $11,284,090, and in 1935, 329,431 M feet, valued at $7,555,764. Exports of planks and boards, hardwood, to United States in 1936 were 40,882 M feet, valued at $1,457,093, and in 1935, 19,179 M feet, valued at $658,523. Exports of timber, square, softwood, to United States in 1936 were 4,579 M feet, valued at $71,210, and in 1935, 1,964 M feet, valued at $38,892. Exports of timber, square, hardwood, to United States in 1936 were 19 M feet, valued at $742, and in 1935, 3 M feet, valued at $244.

BANK OF CANADA—SILVER PURCHASE

Mr. ELLIOTT (Kindersley):

1. How many ounces of silver did the Bank of Canada purchase for the government of the United States in 1936?
2. What price per ounce was paid the Bank of Canada?
3. What did the silver cost the Bank of Canada?
4. What proportion of a silver dollar is silver and what is the value?
5. What proportion of other metals and their value?

Mr. DUNNING:

1. The Bank of Canada did not purchase any silver for the government of the United States for the year 1936. The bank, under an agreement with the United States treasury, has undertaken to act as intermediary between the silver producers of Canada and the United States treasury in connection with such sales of newly-mined silver as may be arranged.

[Mr. Gardiner.]

2 and 3. Answered by No. 1.

4. Eighty per cent, the value being 27 cents when silver is worth 45 cents the ounce fine.

5. Twenty per cent copper, the value being approximately 15/100ths of one cent when copper is worth 15 cents the pound.

ST. LAWRENCE WATERWAY

Mr. ELLIOTT (Kindersley):

What negotiations are being considered between the United States and Canada with regard to deepening the St. Lawrence waterways for transportation purposes?

Mr. MACKENZIE KING: The St. Lawrence waterway project has recently been the subject of informal discussion, but no conclusions have yet been reached.

AGRICULTURAL IMPLEMENTS—EXPORTS AND IMPORTS

Mr. SENN:

1. What was the total value of agricultural implements imported into Canada from the United States of America during each of the calendar years 1929 to 1936, inclusive, not including farm tractors?
2. What was the total value of such material exported from Canada to the United States of America during each of the said years?
3. What was the total value of farm tractors imported into Canada from the United States of America during each of the said years?
4. What was the total value of farm tractors exported from Canada to the United States of America during each of the above mentioned years?

Mr. ROGERS:

1. The value of agricultural implements imported into Canada from the United States of America during the calendar years 1929 to 1936, not including traction engines and parts, was as follows:—

Calendar years	
1929	$14,634,694
1930	10,804,404
1931	2,354,814
1932	1,284,377
1933	1,291,061
1934	1,538,883
1935	1,745,221
1936	2,391,025

2. The value of agricultural implements exported to the United States of America during the calendar years 1929 to 1936 was as follows:

Calendar years	
1929	$ 5,126,864
1930	2,669,934
1931	926,379
1932	328,771
1933	245,421
1934	500,429
1935	2,009,457
1936	1,995,868

3. The value of traction engines and parts for farm purposes imported into Canada from the United States of America during the calendar years 1929 to 1936, was as follows:—

Calendar years	
1929	$16,694,847
1930	9,839,477
1931	1,326,123
1932	678,880
1933	751,477
1934	1,311,501
1935	3,300,422
1936	6,420,237

4. The value of tractors and parts exported from Canada to the United States of America during the calendar years 1929 to 1936 was as follows:—

Calendar years	
1929	$10,659
1930	17,917
1931	8,863
1932	6,149
1933	2,901
1934	7,424
1935	17,816
1936	7,958

CANADIAN FARM LOAN BOARD—EMPLOYEES

Mr. MALLETTE:

What is the total number of employees of all categories at the head office and in each of the provincial offices of the Canadian Farm Loan Board, not including the field inspectors employed on a fee basis?

Mr. DUNNING: Head office 38, British Columbia 7, Alberta 25, Saskatchewan 39, Manitoba 21, Ontario 19, Quebec 58, New Brunswick 5, Nova Scotia 5, Prince Edward Island 3.

NUMBER OF RELIEF RECIPIENTS AND UNEMPLOYED

Mr. POULIOT:

1. What is actually the total number: (a) of heads of families; (b) of their dependents; (c) of individual cases of unemployed, all receiving relief at the present time?
2. How many of the three above mentioned classes are employable?
3. What is the total number of unemployed: (a) heads of families, and (b) unmarried boys and girls over twenty, not receiving relief at the present time?
4. What is the number of: (a) employable, and (b) unemployable unemployed in each province at the present time, and what was the average of each of both those classes of unemployed during the calendar years 1935 and 1936?

Mr. ROGERS: All available information was included in the report of the National Employment Commission with respect to the registration of recipients of direct relief which was tabled in the house on the 5th day of February. As other data is abstracted from the registration returns it will be made available.

NATIONAL HARBOURS BOARD—QUEBEC CITY PUBLIC COAL DOCK

Mr. LACROIX (Quebec-Montmorency):

1. Is the National Harbours Board taking steps to provide the harbour of the city of Quebec with a public coal dock?
2. If so, when will this facility be in operation?

Mr. HOWE: Matter under consideration.

FARMERS' CREDITORS ARRANGEMENT ACT—NEW BRUNSWICK

Mr. CLARK (York-Sunbury):

1. What amount was paid for expenses of the Farmers' Creditors Arrangement Act in the province of New Brunswick for the year ending December 31, 1936?
2. How many cases were before the New Brunswick board of review, and on how many was judgment given?
3. How many cases were actually settled, i.e. payments made according to the judgment of the New Brunswick board of review?
4. In how many cases did the board of review alter its first finding?

Mr. DUNNING:

1. $25,423.46.
2. 360 cases before the New Brunswick board of review and judgment given in 289 cases.
3. No information.
4. 2.

IMPORTS OF ELECTRICAL GOODS

Mr. WINKLER:

1. Are customs officers required to note the origin or make of electrical goods, radio tubes and supplies, and electrical fittings for radios, both in the case of importers of these goods, and tourists returning to Canada from the United States with such goods in their baggage?
2. Is such information contained in a report that is sent to a divisional headquarters, or department headquarters or elsewhere, and if so to what officer?
3. To whom, outside of the customs service, would any of the information in question No. 1 be available?

Mr. ILSLEY:

1. The country of origin is required to be stated on the invoice of all importations of goods being merchandise for sale, and, in the case of goods brought in by returning Canadians under the exemption provided in tariff item 703b for personal or household use, the country from which the importer arrives is accepted as the country of origin for customs statistical purposes.

2. Copies of invoices and of declarations of returning Canadians are forwarded to the

Customs Division, Department of National Revenue, Ottawa.

3. To the importer or his duly authorized agent.

BANK OF CANADA—LEAVE OF ABSENCE TO EMPLOYEE BROOKS

Mr. POULIOT:

1. Is there an individual named Brooks employed by the Bank of Canada, and, if so, what are his duties and his salary?
2. How long has he been so employed?
3. Upon whose recommendation was he appointed?
4. Was he granted leave of absence, with salary, in 1936, and, if so, for how long, and why?
5. Did the said Brooks accompany a member of this house on his recent trip around the world?
6. If so, in what capacity?
7. Has the said Brooks resumed his duties at the Bank of Canada, and, if so, on what date?
8. Who replaced the said Brooks at the Bank of Canada during his absence, and what salary was paid to such individual?

Mr. DUNNING: There is no information on record with the government of Canada with respect to the questions asked, but inquiries of this nature, and others relating to the Bank of Canada, raise a point which with respect to the Canadian National Railways was determined a number of years ago somewhat in this way: that questions as to matters of internal management were not usually answered in the house unless in the judgment of the management they could be answered without affecting the day to day management of the business. But in the case of the Canadian National Railways a standing committee has been set up during each of the past many years in which members were given the opportunity of meeting the officers of the railway and asking questions relating to the business of the road. The government is giving consideration to the advisability of referring the annual report of the Bank of Canada to, say, the committee on banking and commerce, in order that members of the house may have the same general opportunity with respect to the affairs of the Bank of Canada as they have to-day with respect to the affairs of the Canadian National Railways. This matter is now under consideration, and I give the information in view of various questions which appear from time to time on the order paper with respect to the affairs of the bank.

Mr. POULIOT: It would be a good reason to abolish the Bank of Canada.

Mr. BENNETT: Mr. Speaker, I feel it incumbent on me to make at least one observation with respect to the question. I went away in August last. I might have taken one of the messengers, as the right hon. the Prime Minister (Mr. Mackenzie King) did when he was leader of the opposition, to serve me in any capacity that might be required. Instead I concluded I would not do so, and I asked Brooks whether or not he was having his holiday. He had not been absent, had had no rest since the war. He applied for leave of absence, which was granted to him without salary, and I paid him the amount of salary which he was receiving, together with his transportation charges, during his absence.

Mr. POULIOT: Was it paid before or after the question was put?

Some hon. MEMBERS: Order.

Mr. SPEAKER: Order.

Mr. BENNETT: It was paid every month, Mr. Speaker, from August until the day he terminated his engagement with me.

Mr. MACKENZIE KING: The right hon. gentleman has referred to myself, when leader of the opposition, having taken with me a messenger, who was attached to the office of the leader of the opposition, when I was absent from Ottawa on one or two occasions. My right hon. friend did not say, though I imagine the omission was an inadvertent one on his part, that I personally paid all the travelling and other expenses of the messenger.

Mr. BENNETT: There was no question about that, but not his salary.

Mr. MACKENZIE KING: I paid the expenses of the messenger when I went away, and the messenger himself is a permanent official. I may say to my right hon. friend that he did not pay the salary of his messenger while he was absent, but the salary was paid just the same.

Mr. BENNETT: Quite so, when he was here.

Mr. POULIOT: I wonder if I could not have gone in his stead.

CORONATION OF KING GEORGE VI—MILITARY CONTINGENT

Mr. REID:

1. Is there a contingent being sent to the coronation of King George VI?
2. If so, is it to represent all branches of the service?
3. What is the total number of such contingent?
4. How many from each branch of the service?
5. How many from each province?
6. How are they to be selected?

Mr. MACKENZIE (Vancouver):

1. Yes.

2. All arms (branches) of the three defence services will be represented. A detachment of the Royal Canadian Mounted Police will also be included.

3. 334.

4. Royal Canadian navy, 1 officer, 9 ratings.

Naval reserves, 3 officers, 17 ratings.

Permanent active militia, 6 officers, 54 other ranks.

Non-permanent active militia, 50 officers, 130 other ranks.

Royal Canadian Air Force: (permanent), 3 officers, 1 airman. (Non-permanent), 5 officers, 21 airmen.

Royal Canadian Mounted Police, 2 officers, 32 other ranks.

5. (a) So far as the non-permanent defence services and the Royal Canadian Mounted Police are concerned:

Province	Naval Reserves	Non-Permanent Active Militia	Non-Permanent Air Force	Royal Canadian Mounted Police
Prince Edward Island	2	6	—	1
Nova Scotia	2	11	1	3
New Brunswick	1	10	—	2
Quebec	4	50	2	3
Ontario	3	54	15	5
Manitoba	1	12	3	4
Saskatchewan	2	13	2	6
Alberta	2	11	—	5
British Columbia	3	13	3	3
	20	180	26	32*

* Two officers to be decided upon.

5. (b) So far as the permanent defence services are concerned:

Royal Canadian Navy: Four (4) ratings from the naval base at Esquimalt, B.C.; Five (5) ratings from the naval base at Halifax, N.S. One officer not yet selected.

Permanent active militia and permanent air force: Selection will depend upon the recommendations received from officers commanding and officers administering permanent units.

6. Defence Services: Naval Service: Selection will be made at National Defence headquarters, on recommendations received from commanding officers of Naval Service units.

Militia Service: selection will be made at National Defence headquarters, on recommendations received from district officers commanding which will be on recommendations received from militia units.

Air Service: selection will be made at National Defence headquarters, on recommendations received from commanding officers of air force units.

Selection will be made from active, reserve and retired personnel; and a substantial portion, at least one-third, of those selected will be from personnel who were on active service overseas during the late war.

Royal Canadian Mounted Police: Members of the force are to be recommended by their respective officers commanding throughout Canada. No final selection has yet been made.

HUME, SASK., POSTMASTERSHIP

Mr. DOUGLAS:

1. Has the resignation of R. E. Juby, postmaster at Hume, Saskatchewan, been requested?

2. If so, for what cause?

3. Was any charge laid against him? If so, what was the nature of said charge, and by whom was it laid?

4. Was an inquiry held in his case? If not, why?

Mr. ELLIOTT (Middlesex):

1. Yes.

2 and 3. The department was informed that this postmaster was a candidate in the Saskatchewan provincial election in 1934. The postmaster admitted the charge and as this constitutes political partisanship under the terms of section 55 of the Civil Service Act, he was called upon to resign.

4. There was no necessity for an investigation in view of the postmaster's admission.

AGRICULTURAL PRODUCTION AND EXPORTS

Mr. LACOMBE:

1. What was the value of the agricultural production in Canada, in 1935?

2. What was the value of such production in 1936?

Mr. ROGERS:

1. The gross agricultural revenue of Canada in 1935 was $943,081,000. This figure is subject to slight revision when the 1936 estimates are made in the near future.

2. Not yet available.

Mr. LACOMBE:

1. What was the total value of our exports of agricultural products in 1935?

2. What was the value of such exports in 1936?

Mr. ROGERS:

1. Exports of Canadian farm products in the fiscal year ended March 31, 1935, were as follows:

Raw materials	$176,924,050
Partly manufactured	6,809,275
Fully or chiefly manufactured	78,702,008
Total	$262,435,333

2. Exports of Canadian farm products in the fiscal year ended March 31, 1936, were as follows:

Raw materials	$194,433,947
Partly manufactured	7,676,514
Fully or chiefly manufactured	88,377,312
Total	$290,487,773

QUESTIONS PASSED AS ORDERS FOR RETURNS

TEMPORARY PROMOTIONS OF OFFICERS

Mr. POULIOT:

1. Did any officers, during the war, receive temporary promotions for the war period only, and, if so, who are they?

2. Referring to the above question, who are the officers whose temporary promotions: (a) have been made permanent, and (b) whose have not?

3. With regard to question No. 2, upon what date was each temporary promotion made permanent?

Mr. MACKENZIE (Vancouver): I regret that this question cannot be answered in the form in which it appears. If the hon. member would limit the question to members of the permanent force now serving, it can be answered.

Mr. POULIOT: I am very glad to agree with that request.

DRILL HALLS

Mr. POULIOT:

1. How many drill halls are there in Canada, and where are they located?

[Mr. Lacombe.]

2. What amounts has the government received from commandants of military districts for the renting of each drill hall for other than military purposes, during each of the past five years from January 1 to December 31, in each year?

CANADIAN FARM LOAN BOARD

Mr. DOUGLAS:

1. What salaries were paid to each of the members of the farm loan board during the year 1936?

2. What sums did each receive for travelling and living expenses?

3. How many applications have been made for loans: (a) by province, 1936; (b) total?

4. How many applications were granted: (a) by province, 1936; (b) total?

5. What amount of money was loaned by the board during 1936: (a) by province; (b) total?

6. How many inspectors were employed by the board: (a) by province, 1936; (b) total?

7. What is the total amount paid to inspectors for travelling expenses and living expenses?

8. What was the total administration cost for 1936?

Mr. DUNNING: Return tabled herewith.

ROYAL CANADIAN MOUNTED POLICE—NATIONAL DEFENCE BARRACKS

Mr. PURDY:

1. At how many points in Canada where the Department of National Defence maintains barracks, drill halls, etc., are headquarters or premises also maintained for the use of the Royal Canadian Mounted Police?

2. What is the annual cost for rent, light, heat, char service, upkeep, etc., of the Royal Canadian Mounted Police premises at these points?

MILITARY EQUIPMENT

Mr. BLANCHETTE:

What sums have been voted by this parliament, each year, from 1920 to 1936, for strictly military equipment?

MOTIONS FOR PAPERS

NOVA SCOTIA COAL SUBVENTIONS

Mr. BROOKS:

For a copy of all correspondence, letters, telegrams, memoranda and other documents, exchanged between the government or any member or officer of a department thereof, and the fuel board or any member thereof, in connection with payment of subventions on Nova Scotia coal sold and delivered or to have been sold and delivered outside of the said province, during the year 1936.

Mr. CRERAR: It will be observed that this is a rather unusual request. It asks for all the correspondence exchanged not only between two departments of government but between one section of a department and another, plus

any letters that may have been exchanged between the fuel board and other departments of government.

Mr. BENNETT: For the year 1936 only.

Mr. CRERAR: Yes. My information is that these exchanges are usually considered as privileged. Subject to this reservation the matter will be examined to see what information can be brought down. But I might suggest to my hon. friend, if he will permit me, that the resolution in this form might be dropped. I think if he inquires of the fuel board he will get the information he desires. If he cannot get it, the matter would be open for consideration later.

Mr. BENNETT: If the motion is dropped it will have to be placed on the order paper in another form, because the information must be obtained before the estimates in connection with it are passed. It can therefore be dropped if the minister prefers to have it put in another form. I will put one on myself in a form which I think will cover it.

Mr. CRERAR: We will let the order stand as it is, with the reservation I made a moment ago.

Motion agreed to.

SEIZURE OF TOBACCO AND AUTOMOBILE IN MONTCALM COUNTY, QUE.

Mr. FERLAND:

For a copy of all correspondence, telegrams, documents, judicial proceedings, judgment, statement of confiscation and deed of sale in connection with a seizure of tobacco and of an automobile, and legal proceedings against one Martin, of St-Alexis, in the county of Montcalm, the judgment of the magistrate's court at St-Jerome, September 17, 1934, the execution of said judgment and sale of said automobile.

DISMISSAL OF G. R. J. WILSON

Mr. WOOD:

For a copy of all correspondence, letters, memoranda, evidence and other documents in possession of the Department of Transport, relating to the discharge from the civil service of Mr. G. R. J. Wilson, in charge of the Welland canal feeder at Dunnville, in 1931.

NORMANDIN, QUE., EXPERIMENTAL STATION

Mr. FONTAINE:

For a copy of all telegrams, correspondence and other documents exchanged since January 1, 1934, between the honourable the Minister of Agriculture or any officer of his department and any person, association or organization with regard to the choice of a breed of thoroughbred cattle for the experimental station at Normandin, province of Quebec.

PRAIRIE FARM REHABILITATION ACT

Hon. J. G. GARDINER (Minister of Agriculture) moved that the house go into committee at the next sitting to consider the following proposed resolution:

That it is expedient to introduce a measure to amend the Prairie Farm Rehabilitation Act so as to constitute committees instead of one advisory committee, and to appropriate the necessary moneys for the continuance and extension of the work under the act for the fiscal years 1937-38 and 1939-40.

He said: In moving that this resolution go to the committee of the whole I should like to make a brief explanation. Dealing with the matter of committees I may remind the house that in the act passed in 1935 provision was made for the setting up of an advisory committee. The membership of that committee was indicated, not in its personnel but in regard to the organizations which were to be represented on it. We have had certain experiences during the last two years in connection with the carrying on of the work in the different provinces which indicate that it would be desirable to have authority to appoint more than one advisory committee. This particular committee which is provided for in the act as it stands will not necessarily be done away with.

It was provided in another section of the act that an amount limited to a million dollars a year could be expended in the years 1936-37, 1937-38 and 1938-39. By the amendment we are removing that limitation. I may say that I will be prepared, either in committee on the resolution or in committee after the second reading of the bill itself, to give complete information with regard to expenditures.

At this stage I would only wish to add that the total amount spent up to date in the two years is a little over $800,000. It is not thought wise to leave the limitation in the bill as at present because of the fact that many undertakings have to be refused consideration on the ground that there may not be sufficient money available, and we think the government can give consideration to the facts in each case to better advantage if that limitation is not there.

Right Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, I think it has been the practice of this house, in any event under the present administration, not to make an appropriation in the form this resolution would indicate. The appropriation should be made in the estimates. In addition to that the minister will perhaps observe that he has left out the year 1938-39; the resolution refers only to 1937-38 and 1939-40. Presumably

that is not intentional; it must be accidental; the year intended must be 1938-39.

Originally the appropriation was made in the statute itself, amounting to a million dollars a year. The proposal now before the house to do away with any such limitation necessarily must imply, I would submit, on the statement of policy made by the Prime Minister (Mr. Mackenzie King) last year, that the appropriation should be contained in the appropriation bill, so there will be no blank cheque for an unnamed sum to be used for this purpose.

Mr. GARDINER: I should like to say that as pointed out by the leader of the opposition, there is a misprint in the resolution; it should be "to" instead of "and" between the two dates, so that the resolution would read, "for the fiscal years 1937-38 to 1939-40 inclusive."

Mr. SPEAKER: Is it the pleasure of the house to adopt the motion?

Mr. BENNETT: Mr. Speaker, if this is for the purpose of giving notice that at the next sitting the house will consider this resolution, and if that is all, I desire to say that I think it was wholly out of order for me to discuss the matter. In any event the statement should be made that the assent of his excellency has been obtained and that the bill is submitted to the house under those circumstances, under the provisions of the statute.

Mr. GARDINER: 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, as amended, agreed to.

HARBOURS AND PIERS ACT

Hon. C. D. HOWE (Minister of Transport) moved the second reading of Bill No. 9, to amend the Government Harbours and Piers Act.

He said: Mr. Speaker, as I stated during the discussion of the resolution, the proposed amendments to the Government Harbours and Piers Act are desired primarily to meet changes in wharf and transportation requirements that have taken place since the act was last amended, but particularly on account of the provisions of the Consolidated Audit and Revenue Act, which requires that all the revenue of Canada shall be paid into the consolidated revenue fund. The act involves no change in practice as far as the department is concerned. The change contemplated under this amendment is exactly the practice which has been followed for many years, but conditions have changed over the years, and these are minor amendments which are designed to bring the act up to date.

Mr. C. G. MacNEIL (Vancouver North): Before second reading is given, Mr. Speaker, I wish to express my opposition to this bill in its present form, because it proposes to perpetuate a form of taxation which in its application to the smaller communities is unjust and shows unfair discrimination. I would not take up the time of the house but for the fact that I have brought the matter before the minister and the officials of his department on several occasions, and to my dismay they have expressed renewed determination to continue this system of collecting tolls and duties, leaving without redress the smaller communities, who have suffered in some degree because of the methods employed in the past.

I wish to make it clear that I am dealing solely with the smaller communities, whose only contact with outside civilization or with the industrial centres on which they must depend for supplies and to which they must ship their produce is over the government wharf. In the tolls that have been charged under this act the people in these communities have been penalized in their endeavour to face pioneer conditions, encouraged as they have been to leave the cities and face the inconvenience of life as found at some points along the coast. My plea is for the residents of these smaller communities. They are taxed, as all citizens are, for highways, but they have no access to our highway system. They are taxed for various public works, but it is seldom that they have an opportunity to enjoy the facilities provided in this regard by this dominion. Citizens who reside on the inland waters and canals of the country, for instance, and who use the wharves there located, are not taxed to the same degree, even though they have access to our highway and railway systems. They are not required to pay an additional toll for the privilege of importing necessary commodities or exporting their produce.

To show the impracticability of the present system of taxation under this bill I would refer to the returns requested by me last session. They indicate that during the fiscal year 1934-35 the total revenue secured from the collection of top wharfage was $92,096.71. For the fiscal year 1935-36 the total revenue secured from that source was $87,951.29. Out of the total revenue the commission paid to wharfingers in 1934-35 amounted to $24,862.91 and in the subsequent fiscal year to $26,034.91. That is, in 1935-36 from the imposition of top wharfage tolls the net amount was $41,916.38.

May I point out that out of about 900 government wharves within the jurisdiction of the act, during the fiscal year 1934-35 these tolls were collected on only some 216. During the fiscal year 1935-36 they were collected on only 220. I find upon inquiry that, for reasons which I have not been able to discover, there is frequently some delay in reporting to the Department of Transport wharves constructed at public expense by the Department of Public Works; consequently not all these wharves are listed for the appointment of wharfingers or for the imposition of tolls. Only a small number of wharfingers are appointed and tolls imposed at such wharves listed with the Department of Transport, and I believe only a comparatively small number are so listed.

There is a reason for this, and I should like to direct the attention of the government to the matter at this time, because of the unfair discrimination. It is becoming increasingly difficult to secure wharfingers. The reason is obvious. The imposition of taxation in this form is extremely inconvenient to the residents in a small community. I believe the wharfinger is allowed fifty percent of the first $200 in tolls collected, and fifteen per cent of the tolls collected thereafter. He receives no other remuneration, and is not required to perform any definite service to the public. He is not required even to take a line when a steamer docks. So far as I can learn he is not required to afford proper protection to the commodities which pass under his charge. To illustrate the discrimination I shall refer hon. members to a specific instance which came to my notice, namely that of the appointment of a wharfinger last season at Robert's Creek, British Columbia. I brought this matter to the attention of the minister at the time, pointing out that most unfair discrimination had resulted. Robert's Creek is situated only a few miles north of another wharf at Gibsons Landing. No wharfinger has been appointed at Gibsons Landing and no tolls have been collected in that community. After all, as it stands the power of appointment within the act is permissive. Immediately upon the appointment of the wharfinger the collection of tolls become mandatory. The appointee was selected for no other reason, I believe, than that he had been a faithful follower of the Liberal party, and his appointment caused grave discontent in the community. As a matter of fact at one time I thought there would be a repetition of the Boston tea party.

As the situation developed the people of the community felt that their only recourse was to make it so extremely inconvenient for the wharfinger that he might have to discontinue his duties. That was a most unfortunate situation, and one which I believe is not at all in the public interest. The two communities are connected by a road, and one can readily understand the feeling of the residents affected by the toll. Small storekeepers in that community, as compared with the storekeepers in the south, were penalized unfairly and discriminated against with consequent diversion of business. The residents of the community, many of whom are on relief, are required to pay the toll on every small shipment of assorted groceries. Although the amount charged may be exceedingly small, it amounts to no little inconvenience and hardship to people in straitened circumstances who are now suffering very definite distress. The dairy ranchers in the community who import or ship produce are unfairly penalized. True, supplies for fishing vessels and gear are exempt, nevertheless the supplies required by families of fishermen resident in the community are subject to the imposition of these tolls.

Under the act power is given to impose the collection of side wharfage tolls. That is, it is presumed that every steamship docking at a government wharf is required to pay a toll amounting to about 50 cents. However, steamship companies enjoy the privilege of a commutation rate, and on making inquiry at the department I find that the Union Steamship Company, plying between these points on the Pacific coast, and enjoying a subvention of $18,000 annually, does not pay side wharfage tolls at Robert's Creek. Consequently we have the situation under which the residents pay top wharfage tolls and the steamship company, already generously subsidized from the federal treasury, does not pay side wharfage. Upon inquiry I find they pay tolls only at two wharves in that district, namely at Irvines Landing and Gibsons Landing, and even at these points they enjoy a commutation rate of something like $5 per month.

I have in mind another wharf considerably north of the points in question, where every hour of every working day one can hear the rumble of the wheels of trucks connected with an industry transshipping logs for the export trade. No attempt is made at that point to levy tolls on an industry far more capable of paying them than are the residents in the community I have mentioned.

I consider the situation unbusinesslike and unfair. No stipulated remuneration is indicated, and the wharfingers have no definite responsibility to render a service to the public.

The residents in the community in question pay not only top wharfage toll, but also side wharfage, whether or not it is collected. That toll is incorporated in the freight and express charges levied upon goods carried by the steamship company. They also pay their portion of any tolls which may be collected on goods going in or out of the port of Vancouver. As a matter of fact, when these tolls are added to the prices paid in the small communities I believe it is not unfair to say that tolls are collected three or four times over, and that they constitute an additional imposition and penalty upon people who can ill afford to bear that burden. I repeat that in comparison with other citizens of the dominion these people are discriminated against.

Before the bill reaches the committee stage I would urge upon the minister that he give some assurance of an amendment which would exempt from the imposition and collection of tolls these smaller communities entirely dependent upon traffic which passes over the government wharves serving them. In a measure larger than heretofore I suggest that for the construction and maintenance of wharves the government should rely for reimbursement upon the collection of side wharfage tolls. No steps should be taken to collect more than side wharfage tolls, because after all they are passed on to the consumers resident in the district. I see no reason why the poorer sections should pay tolls twice over.

May I point out further that it is not within the range of practicability to appoint wharfingers at all these wharves. Public sentiment is definitely against such appointments. As I have pointed out, their appointment occasions grave inconvenience, and only too frequently the situation becomes so unpleasant that the official appointed is compelled to resign. Frequently those offered this unpleasant work refuse to accept it at the remuneration stipulated. The wharfingers collect commissions in very small amounts from small assortments of groceries and other small shipments. It would be a better policy if the government attempted to collect side wharfage tolls, which could be accomplished more easily and in a more businesslike way. The collections could be made at a lesser expense at the head office of the steamship companies serving the communities.

I strongly commend the matter to the consideration of the government, in order that we may not by the second reading of this bill perpetuate an unsound, unfair and unjust principle of taxation which in its application results in grave discrimination.

[Mr. MacNeil.]

Right Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, this bill embodies an amendment to a statute, and it cannot be said to express any particular principle, apart from the one to which the hon. gentleman who has just taken his seat (Mr. MacNeil) has referred. However, there is another matter of some importance which I think may be discussed in committee. I refer to the question of appointments. The old statute provided that these were to be made by the governor in council; the new bill provides that they are to be made by the minister, but that the salary is still to be fixed by the governor in council. To this extent there is a complete change in the principle embodied in the old statute. I do not desire to take up the time of the house in dealing with the matter at this time, other than to say that the adoption of the motion for second reading must not be taken as agreement to every point in the bill. Our rights, such as they are, to discuss the matters involved in the various sections when the house is in committee we reserve at this time in order that the bill may be expedited in its passage.

Mr. A. W. NEILL (Comox-Alberni): Mr. Speaker, I assume that when the minister closes the debate he will deal with the remarks of the hon. member for Vancouver North (Mr. MacNeil). I think the hon. member has a misconception of the situation. He refers to the imposition of wharfage charges on these government wharves as taxation. I consider such charges to be payment for services rendered. The hon. member referred to the imposition of this taxation upon the people in these small places, but he went on to say that out of 900 wharves owned by the government, these charges were made at only 220. He stated that the wharfinger gets 70 per cent of the fees, but I believe he gets only 50 per cent up to $200, and 15 per cent after that. The hon. member said that the wharfinger rendered no services for these fees, but I think he does render a distinct service.

The wharfinger checks the freight into a shed which is kept under lock and key. When the countryman or fisherman comes along and asks for his goods, there is a guarantee that they are there, that they have not been stolen or tampered with in any way. The wharfinger checks the unloading and hands out the freight upon the production of the bill of lading. The fisherman is assured that he gets the stuff for which he has paid. If this freight were left on an open wharf with no one to take care of it, the first person who came along might take something be-

longing to someone else. The freight might get wet or the crows might destroy part of it. If I were living in one of these small communities I would infinitely prefer to pay the ridiculously small charge made in order to have guaranteed protection for my goods. The steamer arrives at many of these points at very uncertain intervals, and if there was no wharfinger it would mean the people would have to remain five or six hours waiting for the boat in order to take delivery themselves. I think the services rendered are worth far more than the charge made.

Mr. BENNETT: Many of the wharves have no shed.

Mr. NEILL: Many of them have no sheds; the freight is left in the open, and the crows can destroy a sack of corn in a very short time. The sea gulls are not altogether innocent in this regard. I believe the great majority of the wharves do have small sheds into which the freight can be put if only to protect it from the rain.

The hon. member suggests that side wharfage should be charged and collected from the steamer. Such a practice would substantially increase the expense to these people on whose behalf he is arguing. If side wharfage is collected from the steamer it will mean that these fishermen will have to pay considerably more for their goods. The steamers will certainly either increase their rates or add the charge to the customer's bill.

There is a schedule of rates fixed by government regulation, and anyone who looks at them can see how ridiculously low they are. The charges average not more than ten or fifteen cents per ton, and the wharfinger gets fifty per cent. After waiting three or four hours for a boat to come in, he meets it sometimes in the middle of the night and checks off perhaps two tons of freight. There are many places at which these steamers call where even less than that is delivered. He checks in the freight and he goes home. The next day somebody comes along and wants 200 pounds of freight. The charges might be ten cents, of which the wharfinger's share would be five cents. He may have to walk a mile to the wharf from his home if he does not happen to live right on the wharf. Tom Jones who receives a small shipment has a guarantee that his goods are protected. The wharfinger gets five cents commission. He walks home again and shortly afterwards Mrs. Smith comes along and wants a crate of chickens, on which the charges are eight cents, the wharfinger getting four. The charges are very reasonable when compared to the services rendered. The charges on privately owned wharves are two, three, four and sometimes five times as much as those on the government wharves.

The hon. member declared there was discrimination due to the fact that on one wharf there will be a wharfinger while on another one a few miles away there will be none. That state of affairs is not brought about by political pressure or instigation; it is simply due to the fact that no one will take on the position of wharfinger at that particular wharf. When a man is asked to take over the job he will reply that he cannot do it for the remuneration offered. This is what has happened at many wharves, and the result is that they remain without wharfingers and consequently without collection of wharfage.

The Department of Public Works build these wharves and then turn them over to the Department of Marine for operation. The hon. member for Vancouver North said he did not know why, and I do not know why, there is very often an interval between the time the wharf is built by the Department of Public Works and the time it is handed over to the Department of Marine. I have noticed this before but I have never felt inclined to kick about it. I have always considered that the wharf was better looked after by the Department of Public Works than it would be when handed over to the Department of Marine. Since the present minister took charge of the department he has sent out notices, I suppose of a general character, to all these places to the effect that he wants a wharfinger appointed. At times I have tried to get someone to take the position of wharfinger, but no matter who I asked or what his politics were, I have been unable to do so. In one or two places I have been told that the public preferred not to have wharfingers. They make a sort of day of it and go down to meet the steamers to get what freight is coming in. The great difficulty has been to get men to accept these positions.

I do not think the general public is discriminated against because of the charges made. I am quite sure that if I lived in one of these places I would be only too glad to pay the small wharfage charges in return for the services rendered. I repeat that it is not a question of taxation; it is a question of payment for services rendered, and these are out of all proportion to the revenue obtained. That is the trouble; you cannot get anyone at the revenue provided by the government. I think the government ought to give the wharfinger all he collects up to, say, $200 a year. I have no doubt the minister will deal with the matter when he replies.

Hon. C. D. HOWE (Minister of Transport): Mr. Speaker, the address of the hon. member for Comox-Alberni (Mr. Neill) has shortened mine considerably. A statement was made which I should correct, that no wharfage is charged on inland waters. That is entirely erroneous. Such docks as are built by the Public Works department and turned over to Transport for operation are provided with wharfingers where possible and exactly the same scale of fees is charged as on the Atlantic and Pacific coasts. There are certain docks along the canals, and these charge a somewhat higher scale of wharfage. The revenues are taken into the canal accounts rather than into the accounts we are considering here.

The figures given by my hon. friend from Vancouver North (Mr. MacNeil) do not agree with mine. According to my figures there are 948 wharves under the management of the department, of which 381 have wharfingers and 567 have not. The gross collections for 1935-1936, that is, in respect of both side and top wharfage, were $146,697.07, while the amount retained from that as remuneration for the wharfingers was $26,034.94, leaving a net revenue to the department of about $120,000. Of the 381 wharves having wharfingers, only 282 yield revenue. For the remainder a wharfinger is appointed who makes his reports, but the reports indicate that there is no movement over the dock. Of the number yielding revenue only fifty-one yield $500 gross each; twenty-nine yield over $1,000 gross, and one wharf yields up to $15,000.

As for the abolition of wharfingers, I think that would be a backward step. Many of the docks require services other than just the tying up of ships and the counting of cargoes. Many of the docks have sheds used for various purposes, and of which the wharfinger is custodian. We have, for instance, potato wharves, some of them heated; many wharves have lights, and it would be quite impossible to operate lights for the dock unless someone is responsible.

I think it is a great pity to stir up feeling against the collection of wharfage at any point. Every town that asks for the accommodation of a public dock should have enough public spirit to fall in with the appointment of a wharfinger and pay the trifling fees that are charged for the service. In fact I think each dock should have a wharfinger, whether there is any business there or not. If the government builds a dock at that point, someone should be responsible. We should have the benefit at head office of reports from the locality indicating what repairs are necessary; and, where the traffic warrants, the dock should be lighted, and someone should be responsible for the lights.

The suggestion was made that side wharfage should be charged and top wharfage eliminated, and that side wharfage should be collected at head office from the steamship companies. That could be done, although it would be simply substituting an indirect tax for a direct tax on the user of the docks, and probably the indirect tax would be much higher than any direct tax paid through a wharfinger. The difficulty in that method of collection is that we would have no one at the dock responsible for the operation and condition of the dock, which is very important. Under all the circumstances, therefore, I believe the present system meets the case better than any other that has been suggested to-day.

Motion agreed to, bill read the second time, and the house went into committee thereon, Mr. Sanderson in the chair.

Section 1 agreed to.

On section 2—Application of act.

Mr. BENNETT: It says:

> Nothing in this act shall apply to any harbour under the administration, management and control of the National Harbours Board or of any commissioners appointed under any act of the parliament of Canada.

Are there not a number of places where a certain form of commission is appointed which would hardly be covered by this language? Is it broad enough to cover them all?

Mr. HOWE: I think it covers them all. I can think of no commission that is not appointed under an act of parliament. We appoint two commissions in some cases, and sometimes one.

Mr. BENNETT: I had in mind cases where the municipality appoints its own commission.

Mr. HOWE: I think in that event there is a commutation of wharfage. There are municipalities where the dock is leased to the municipality.

Mr. BENNETT: As long as the minister is satisfied on that point, I am.

Mr. HOWE: This corrects the old list of exempted wharves, which is now erroneous.

Mr. BENNETT: Toronto, for example, has a municipal commission.

Mr. HOWE: Yes, but it is under a dominion act. We appoint two commissioners there.

Mr. BENNETT: We do not appoint the commission.

Mr. HOWE: No, but we appoint commissioners.

Mr. BENNETT: We appoint only a certain number of the commission.

Mr. HOWE: Quite so.

Mr. BENNETT: The commission is a municipal one, and as a matter of fact the harbour works are harbour works of the municipality. We give some assistance to them in connection with the harbour, and we have a representative on the board. It was cases of that kind I had in mind when I raised the question. I wanted to be sure that there is no doubt about the legislation being comprehensive enough to meet the situation

Mr. HOWE: My right hon. friend will notice that the word used is "commissioners."

Mr. BENNETT: Yes.

Mr. HOWE: It says, "or of any commissioners appointed under any act of the parliament of Canada." I think that covers the situation.

Mr. BENNETT: I do not wish to take up time, but that is the point I was raising. These commissioners are not appointed under an act of the parliament of Canada; they are appointed by the city council. In the case of Toronto harbour, I think we named two commissioners—I speak subject to correction—

Mr. HOWE: Ordinarily it is two, yes.

Mr. BENNETT: It was the very words the minister has quoted which directed my attention to the thought that perhaps the language was not comprehensive enough. It says:

> . . . under the administration, management and control of the National Harbours Board or of any commissioners appointed under any act of the parliament of Canada.

These commissioners are not all appointed by act of parliament. However, the minister's attention has been drawn to it, and that is sufficient.

Section agreed to.

On section 3—Appointment of officers and employees.

Mr. MacNEIL: In view of the discussion on the second reading I should like further information from the minister as to what instructions are given to the wharfingers. There seems to be some misunderstanding, because in the district I represent I have had no evidence that wharfingers are required to render service to the public of the kind to which reference was made by my hon. friend from Comox-Alberni (Mr. Neill). There is a haphazard performance of their duties. They do not assist in taking lines from vessels or share any responsibility for the care and protection of goods that are landed on the wharf. In the district to which I refer very seldom do vessels bring in goods to any considerable quantity except during daylight hours.

Mr. HOWE: The wharfinger has a general supervision of the dock. He is not necessarily a warehouse man. He does not assume financial responsibility for the goods that are put on the dock, though he has instructions to see that they are properly taken care of and distributed. He collects the fees at the dock, looks after the dock in a general way, takes care of the lighting if there is any, and so on.

Mr. MacNEIL: I may remark in passing that at the wharves I speak of there are no lights except such as the residents provide. In what manner are these appointments made?

Mr. HOWE: They are made by the minister. The recommendations come from the member for the district or from the department's agency, in case the member is not able to nominate a wharfinger. We use every means at our disposal to get a man who is willing to act. The difficulty is to get men. I have some 500 letters outstanding asking for wharfingers, and have not been able to get satisfactory replies. The treasury have men checking up as well because they must look after the interests of the treasury.

Mr. HEAPS: Why can men not be obtained?

Mr. HOWE: For the reason stated a moment ago. There is some little agitation worked up at local points; they may decide that they will not have a wharfinger, and if one is appointed he is not allowed to act. It is a local revolution, and I hope that hon. members will have nothing to do with one.

Mr. MacNEIL: I can assure the minister that if there is any local revolution I have nothing to do with it. I want to draw his attention to three wharves within a few miles of one another connected by road—Gibsons Landing, Robert's Creek and Wilson's Creek. These wharves were constructed and are maintained at the public expense. No top-wharfage tolls are collected, but side wharfage tolls are collected at Gibsons Landing. At Robert's Creek a wharf constructed a number of years ago and which was recently transferred to the Transport department, the wharfinger was appointed last season. The minister can understand the resentment that arises in a community, when after they have been shipping produce for a number of years without paying any toll, to have one suddenly imposed upon them at a time when hardship is bound to ensue. Immediately

north is Wilson's Creek and as far as I have been able to discover that has not yet been transferred to the department. Those who enjoy the facilities established at public expense at that point pay no toll.

The hon. member for Comox-Alberni (Mr. Neill) referred to the collection of side-wharfage dues. The rate is set by regulation under the act, and I believe it is something like 50 cents per call for vessels of the size that make use of these wharves, vessels under 500 tons. In the fixing of freight and express charges on goods moving back and forth, the side wharfage charges are taken into the calculation, and the residents must pay the side wharfage due in such case whether it is actually collected by the government or not at any of these points. On what basis this is computed in the carriage rates I am not sure. In view of the circumstance I have brought to the minister's attention, I should appreciate some suggestion from him as to how this obviously unfair discrimination might be eliminated. Even if it is extremely difficult to appoint wharfingers some other scheme might be devised so that one particular community might not be singled out while others escape the payment of the toll. The imposition of this tax on the smaller communities is quite unnecessary. The people do not enjoy the services which one would regard as only reasonable in view of the charges collected, and they suffer many inconveniences in addition. I suggest that the residents of these places should be encouraged to stay there instead of being discouraged by the government. Has the minister any suggestion as to how this unfair discrimination might be removed?

Mr. HOWE: My hon. friend has referred to Gibsons Landing, which is perhaps a fair example of many of these wharves. In 1928 there was considerable correspondence in an effort to obtain a wharfinger for that point, but without success. The effort was renewed in 1930, again without success, and in 1931 there was again a good deal of correspondence. Efforts were made again at the end of 1935 and early in 1936 and we are still unable to get a wharfinger. I understand that this place is in the hon. gentleman's constituency and if he is willing to look into the matter and suggest a name for wharfinger, we will be delighted to appoint him.

Mr. MacNEIL: Can the minister tell us why side wharfage tolls are not collected at all points and levied against the steamship company? I would point out to him that in these districts I have mentioned side wharfage dues are paid only at Irvine's Landing and Gibsons Landing. At Robert's Creek, although top wharfage tolls are collected, side wharfage tolls are not.

Mr. ESLING: At what points at West Kootenay, along the Arrow lakes and Kootenay lake, are there wharfingers?

Mr. HOWE: With regard to the question asked by my hon. friend (Mr. MacNeil), the wharfinger should collect side wharfage tolls at all points. If he collects at some and not at others he is negligent. The act provides that the minister may commute wharfage with steamship companies by paying them a lump sum for the season or per month through the head office by arrangement with the department, and I can assure the hon. gentleman that there is no attempt at evasion. As regards the question asked by my hon. friend from Kootenay West (Mr. Esling) I understand that he wishes to know at what points on the Arrow lakes there are wharfingers. The following wharves are on interior lakes. I am not quite familiar with the geography: Naramata, Peachland, Penticton and Summerland appear on the list as having wharfingers.

Sir GEORGE PERLEY: This seems to be the only clause in this bill of any great importance and I should like the minister to explain why he is suggesting this change, which is a rather serious one. Under the present law all the employees are appointed by the governor in council. It is quite true that the recommendations for appointments have always been made by the minister, but the onus of making the appointments rests with the government as a whole. In this clause the minister is asking that he shall be given the sole authority to make appointments without going to the governor in council. What possible reason is there for making such a change?

Mr. HOWE: This practice goes back to 1923. Prior to that it was a duty of the civil service commission, and prior to that, when this act was drafted, it was done by the governor in council. The civil service commission found it absolutely impracticable to handle these appointments, probably because it is so difficult to get anyone to act. In 1923 an amendment was passed to the Civil Service Act excepting these appointments from the operation of the act and placing them under the minister. I do not know why it should be under the minister rather than the governor in council, except that the transactions are so small that it seems hardly worth while cluttering up the minutes of council with them.

Mr. BENNETT: The council fixes the salaries.

Mr. HOWE: It approves the remuneration.

Mr. BENNETT: They are determined.

Mr. HOWE: Yes, the regulations are determined by order in council.

Sir GEORGE PERLEY: I do not think the minister has given any good reason for the change. After all, this is the only clause of any importance in the bill. I quite agree that the civil service commission could not make these appointments satisfactorily, and I think the change was properly made giving the authority to the governor in council. But now the minister himself is asking for authority to appoint these people. It has been my experience that the recommendation of the minister has usually been agreed to by council. There must be some reason which we do not know why the minister seeks this change. Why does he not leave it alone? I take it the bill is brought in for no other purpose than to provide for the change suggested in section 3. I for one should like some satisfactory explanation.

Mr. HOWE: The present act provides that it shall be done by order in council. In 1918 the Civil Service Act provided that these appointments should be taken from the governor in council and placed in the hands of the civil service commission. In 1922 the Civil Service Act was amended to provide that these appointments should be made by the minister. That has been the practice since 1922; they are appointed by the minister by virtue of the amendment to the Civil Service Act of 1922. We are simply changing the act to conform to the existing practice. For the past fifteen years the appointments have in fact been made by the minister without reference to the governor in council, by virtue of the amendment to which I have referred.

Sir GEORGE PERLEY: Does the minister mean that notwithstanding the way this act reads at present the minister has been making these appointments without referring them to the governor in council?

Mr. HOWE: Yes. We do it, as I say, by virtue of the amendment to the Civil Service Act of 1922.

Sir GEORGE PERLEY: My memory of it is that it has not been done in that way, but if the minister is certain—

Mr. BENNETT: It was done by the governor in council on the recommendation of the minister.

Mr. HOWE: My officers assure me it is done by departmental letter, and has been done in that way since 1922. In actual practice the minister is seldom consulted about it.

Mr. BENNETT: That is to see if they will take the position, but I can recall orders in council appointing wharfingers. The difficulty has been to find someone willing to be appointed, but when the time for appointment came I can recall some cases at least during recent years in which the recommendation of the minister was that so and so be appointed and that the salary consist of the fees which he receives; dozens of cases of that kind come to my mind at the moment. The minister is quite right in saying that there is no reference to the minister about it. When someone has expressed willingness to act, the appointment is made in the manner indicated in the statute.

Mr. HOWE: Perhaps my right hon. friend is confusing wharfingers with harbour masters. They also are paid by fees of office. My two officers, one of whom has been in the department many years, assure me that no wharfinger has been appointed by order in council since 1922.

Mr. BENNETT: He should know. It may be that I confuse wharfingers with harbour masters.

Mr. ESLING: I think the minister will find that he is letting himself in for a lot of trouble, as far as the wharves serving small communities are concerned. Along the Arrow and Kootenay lakes there are about forty small wharves. In all my experience of forty years I have heard of only one wharfinger having been appointed in that district, and he had a rather unhappy experience. He had a consuming desire to possess a government job. He was appointed under the fee system. There happened to be an Anglican missionary parson there, and about the only real money that wharfinger ever collected was a dime. The parson was getting aboard the boat and happened to remember that he wanted to go back to the store. He left his suit case on the wharf. When he came back and took it up he was told to drop it; that it would cost him ten cents. The fact is that steamers along the Arrow lakes refuse to pay any fees; they just run the bow on the beach, throw out a plank and load or unload their freight on the beach. The communities protest against the payment of any fees. In one place they directed that their freight and express be unloaded on the wharf opposite and it would be brought over on the ferry free of charge. The wharfinger put

the freight into the shed, locked the shed, which was an unusual thing, and went home for the day. About six miles away there was a logging camp. The men came in the evening to get their week's supply of meat, and found the shed locked. They observed that there were strap hinges on the door, so they got a screw driver and took off the hinges and took their meat home. The next morning the wharfinger came down and thought that someone had been tampering with the lock, so he bought a new padlock at his own expense. The next week the same thing occurred. Then he took a logging chain and put it around the shed and through the handles of the door. Shortly afterwards the loggers came down for their meat, and they took off the logging chain, door and all, and threw it into the lake. It required an order in council to have the man appointed and an order in council to have him removed on a protest from the people at that point. So as I say, the minister will have a lot of trouble, first of all through protests against the fees, and then if it is to be a salary over and above any fees he will have a good deal of difficulty in satisfying the innumerable applicants for these posts.

Mr. McIVOR: I think that is one case where the minister would be wise in not appointing anyone. It would be in the interest of the clerical gentleman.

Mr. HOWE: There are many communities more law-abiding than the one just described.

Mr. MacNEIL: I understand the minister corrected the figures. I may explain that these figures were furnished on an order of the house for a return last session. I understand that of some 948 wharves there are only a limited number on which top wharfage dues are collected. I am not so much interested in the appointment of wharfingers as in the exact number of wharves where top wharfage dues are collected. May I also ask if those 948 wharves represent the total number of government wharves or only those that have been transferred to the Department of Transport? Is there any considerable number of wharves over and above that number not yet transferred from the Department of Public Works?

Mr. HOWE: I may say that exactly 282 wharves yield revenue, both side and top wharfage being collected. There are many wharves that have not been turned over to us for administration, and are still under the Department of Public Works.

Mr. RYAN: In connection with the appointment of wharfingers, is it the intention of the government to appoint them for a number of years?

[Mr Esling]

Mr. HOWE: They are appointed during pleasure, which usually means that they are permanent during good behaviour.

Mr. KINLEY: How does the department determine when a wharfinger is needed at any particular place?

Mr. HOWE: We try to get wharfingers for all wharves, but that is not always possible. We have agents scattered all over the country; we get a report from our agent as to the business over the wharf, and if it is a very substantial amount we make a determined effort to secure a wharfinger. By law we are supposed to have a wharfinger for every wharf in Canada, and we make every attempt to do so.

Mr. KINLEY: But there is not a wharfinger for every wharf?

Mr. HOWE: No.

Mr. KINLEY: I assume this bill has nothing to do with railway wharves?

Mr. HOWE: Nothing at all.

Mr. KINLEY: In my county there is a railway wharf at Lunenburg and another wharf at Bridgewater. It appears that the wharf at Bridgewater is controlled by the Department of Public Works and the wharf at Lunenburg is controlled by the railway company. There is no wharfinger at Lunenburg but there is a wharfinger at Bridgewater. I may say that the wharves which are under the control of the Department of Public Works are much better looked after than the wharves under the control of the railways; we find it much harder to get repairs from the railways. Very few of the wharves in my county have sheds on them, so that the service rendered in return for the top and side wharfage is not so apparent as it might be at other points. However, I must say that I do not think there is any attempt to collect wharfage from the small dealer who lands at the wharf; I think it is collected only from a ship with a cargo, and that sort of thing, and of course that is expected.

Section agreed to.

On section 4—Detention of vessel at subsequent port of call.

Mr. BENNETT: Should you not make it read "any other Canadian port" in line 9? We want to make it clear that we cannot claim the right to hold a ship anywhere else than in a Canadian port.

Mr. HOWE: I have no objection whatever.

Mr. BENNETT: Of course it is implied in any case.

Section agreed to.

Sections 5 and 6 agreed to.

Title agreed to.

Bill reported, read the third time and passed.

SUPPLY

The house in committee of supply, Mr. Sanderson in the chair.

DEPARTMENT OF NATIONAL DEFENCE

General—Civil Pensions—
Life pension to Robert Allen, $269.52.
Life pension to Walter Pettipas, $515.90.
Life pension to Florence Walker, $360.
Life pension to Arnold Truman Townsend $420.
Life pension to Michael Mountain, $420.

Hon. IAN MACKENZIE (Minister of National Defence): This is a non-contentious item, some of the details of which have been in the estimates every year since about 1916, dealing with injuries sustained by civilians who have been working in connection with the Department of National Defence, or the widows of such who died.

Mr. BENNETT: It has only to do with special pensions arising out of injuries during the current year?

Mr. MACKENZIE (Vancouver): Out of injuries at various times, and for which provision could not be made either under the provincial compensation act or under our own Pension Act.

Mr. ISNOR: I should like to ask if, after one particular item has been passed, whether it stands good for the year for which it was passed? For instance, I read: "Life pension to Arnold Truman Townsend, $420." That will be good for one year?

Mr. MACKENZIE (Vancouver): Yes.

Mr. ISNOR: The department could not withhold any part of that?

Mr. MACKENZIE (Vancouver): No, not unless there was some compensating arrangement. The amount must be revoted by parliament each year.

Mr. ISNOR: Then I would like to direct the minister's attention to the fact that in the case of Michael Mountain there is something like three or four months of 1936 for which the pension has not been paid.

Mr. MACKENZIE (Vancouver): I shall be very happy to look into that case immediately for my hon. friend.

Item agreed to.

DEPARTMENT OF TRADE AND COMMERCE

Civil Government—
Salaries, $640,248.
Contingencies, $42,088.70.

Mr. BENNETT: What does this cover?

Hon. NORMAN McL. ROGERS (Acting Minister of Trade and Commerce): This vote involves an increase of $35,083. The increase is accounted for wholly by increases in salaries.

Mr. BENNETT: What are they?

Mr. ROGERS: In the headquarters staff and in the bureau of statistics. Shall I give the increases in order?

Mr. BENNETT: Yes, because this raises a question which I want to discuss in some detail. There is the question of what Mr. Muir is doing, and matters of that kind. I should like to have the particulars of the increases.

Mr. ROGERS: As I said a moment ago, the total increase over last year is $35,083. The first increase is that of Mr. F. E. Bawden, $240.

Mr. BENNETT: What does he do?

Mr. ROGERS: Mr. Bawden is connected with the branch of the department which deals with steamship subsidies.

Mr. BENNETT: What is his present salary?

Mr. ROGERS: Mr. Bawden's present salary is $4,260, which is being increased to $4,500. His title is director of trade routes and steamship subsidies.

Mr. BENNETT: Would the minister prefer that we discuss this appropriation item by item as we go along, or wait until he finishes?

Mr. ROGERS: I believe there are officials of the department here, and I am quite prepared to deal with these matters now if it seems desirable.

Mr. BENNETT: We will wait until they come, then. After the minister has made his statement we can deal with them further, when the officials are here.

Mr. ROGERS. I shall continue. Next, there is the salary of T. G. Major, transferred from Commercial Intelligence Service, $3,600; the salary of S. Cuddy, transferred from weights and measures, $2,790. That covers the headquarters office. I now come to the salary changes in the Dominion Bureau of Statistics. They are these: One statistician, grade 2, vacant, $2,400; five clerks grade 2, at $1,080, totalling $5,400; one stenographer, grade 2,

$1,080; 2 office appliance operators at $1,020, totalling $2,040; one stenographer, grade 1, $720; 18 clerks, grade 1, at $720, totalling $12,960, one office boy $600, making a grand total of $25,240. The column is completed by an item for statutory increases amounting to $3,213, making a total increase of $35,083, as indicated.

Mr. BENNETT: The minister will observe that this departs from the procedure with respect to statutory increases in connection with salaries on a higher scale. I believe statutory increases amount to approximately five per cent; up to a certain point, that is the maximum. The others are cases in which special provision is made for those in the higher brackets. It would require something more than has been said to explain why that should be done, if it is not to be left open to the criticism that there was discrimination.

The other question I wish to raise is one which has to do with the dissemination of information. Some years ago the last government provided a publicity agent in the Department of Trade and Commerce, in the person of Mr. Muir. From information which comes to me I gather there has been some change in his position. I should like to know what his present duties are, and the kind of information he is responsible for gathering and sending abroad. I should like particular enlightenment as to the information he sends out of the country by cable and how and under what vote the bills for cables are paid.

Mr. ROGERS: I shall be pleased to get the information as soon as possible. With reference to the first point raised by the leader of the opposition, may I say that in the case of Mr. Bawden the salary increase would be fully in conformity with the five per cent.

Mr. BENNETT: But there is a maximum, and it exceeds the maximum.

Mr. ROGERS: It appears that Mr. Bawden was reclassified by the civil service commission, which accounts for his increase from $4,260 to $4,500. The other two in the headquarters staff were transferred.

Mr. BENNETT: I know about that.

Mr. ROGERS: I am informed Mr. Muir comes under the organization of the bureau of statistics and holds the office of an editor, grade 2. I take it that any information coming from him for publicity purposes would appear in the publications of the bureau of statistics.

Mr. BENNETT: So would I.

[Mr. Rogers.]

Mr. ROGERS: I have no other information respecting the matter.

Mr. BENNETT: That is the point about which I was inquiring. Apparently the minister and myself have the same appreciation of the situation. I should like to know whether my information is correct. The minister will observe I was careful to say that I was informed; I do not know whether my information is accurate, but it is to the effect that Mr. Muir has been sending abroad cables in the nature of propaganda with respect to certain matters. I should like the minister to look into it and see whether he has incurred any bills for cables in the last few months. If so, out of what moneys are those bills paid, and is the bureau of statistics or the Department of Trade and Commerce responsible for them? In some instances the information is of a kind available in the department and known to the public only when given to it by the department. I believe it would be found that in some instances he has advance information with respect to matters, and makes it available by means which are denied—I think that is the proper word—to those who are responsible for the dissemination of information to the public generally. I would like the minister to look into the matter, fully realizing that he cannot answer to-day. The matter involves a question of principle which, I believe, is of some importance, which has been dealt with on more than one occasion, and concerning which the present leader of the government on more than one occasion in days past expressed very strong convictions.

Mr. ROGERS: I shall be pleased to look into the matter. Of course the leader of the opposition realizes I have not the information before me at this time.

Mr. BENNETT: Quite.

Mr. ROGERS: I should like to have a precise understanding of the nature of the complaint. As I understand it, the suggestion is that Mr. Muir was giving information in a capacity other than that of an editor in the bureau of statistics.

Mr. BENNETT: I do not know what he conceives his duty as editor to be. I was directing attention to information which had come to me, and I have asked the minister to ascertain whether that information has a foundation in fact, namely, that information has been cabled from this country at public expense. This information is in the nature of propaganda which at the time it was sent

was not quite available to other organs of public opinion. I believe I have put it as fairly as I can.

Mr. ROGERS: I think I understand.

Mr. RYAN: Has any thought been given in the bureau of statistics to getting information respecting trade among the provinces of the dominion? It is almost impossible to learn from the figures obtained by the bureau what constitutes trade among the provinces. Some time ago the Duncan commission made a report on their inquiry into maritime claims in which they indicated that they had experienced difficulty in making a finding with respect to trade because they had not available the statistics to which I have referred. In the report of the commission we find at page 44 the following observation:

> We have had brought before us the lack of any comprehensive measurement of the trade of the maritime provinces with other provinces and with foreign markets. We were ourselves disappointed not to be able to pursue investigations on trade matters along lines which such statistics would have enabled us to do. We found on inquiry at the Dominion Bureau of Statistics that consideration had been given some time ago to this very subject but, mainly through lack of organization in the statistics relating to certain phases of transportation, it was not possible to proceed with the plans that had been formulated. We strongly urge that these difficulties should be overcome, as they can be, and that on this phase of internal trade a system of statistics should be made regularly available from as early a date as possible.

There was a recommendation made some years ago by the Duncan commission and I do not think any steps have been taken since then to obtain the necessary information. I appreciate the fact that the acting minister is familiar with the difficulties about which I am complaining, and I should like to know if any efforts are to be made to obtain statistics along these lines.

Mr. ROGERS: I shall be very glad to find out what progress has been made by the bureau of statistics in the direction suggested by my hon. friend. I can say now that there are very serious difficulties in the way of securing that information accurately. I recall some years ago trying to arrive at an approximate balance with respect to a single province, and I found that the bureau of statistics could give little more than the movement of carloadings in and out of provinces.

Mr. BENNETT: And by water.

Mr. ROGERS: And the movements by water. After all, we could not reduce those to terms of dollars and cents; it is quantities only. Much of the carloadings consist of less than carload shipments and these could not possibly be reduced to dollars and cents. The bureau of statistics have done a very useful work in recent years in analyzing retail sales in the various provinces. I believe they have done that with a view to arriving at a more accurate measurement of internal trade than we have had hitherto. I should be surprised if the bureau felt at the present time that it could give us any assurance of being able to provide an accurate statistical summary of interprovincial trade. As a matter of fact the United States have encountered the same difficulty and have not been able to provide this information.

Mr. RYAN: Is the information as to retail sales available from the bureau?

Mr. ROGERS: If I remember correctly, this analysis of retail sales was commenced about five years ago. It was based particularly upon the census of 1931. Since that time there have been annual corrections and breakdowns of the retail sales in the various provinces.

Mr. BENNETT: It is only an estimate, in the last analysis.

Mr. ROGERS: It does not profess to be accurate, although I believe a greater approach to accuracy is attained as the analysis is continued from year to year.

Mr. KINLEY: May I point out that this matter is becoming increasingly important because of the fact that some provinces now have income tax laws. Exporters in Nova Scotia have been subjected to taxes in Ontario on the profits of their trade in that province. The acting minister will see that this will disturb the balance as between a province which has an income tax and thus taxes the profit on trade from another province, and a province which has no income tax. For this reason I believe it would be very enlightening to have these statistics. We in the maritime provinces will be able to show that while we are subject to an income tax on goods going into the central provinces, we buy infinitely more from those provinces.

Mr. ROGERS: When the item covering the bureau of statistics is before the committee this information requested by the hon. member for Saint John (Mr. Ryan) and the hon. member for Queens-Lunenburg (Mr. Kinley) can be supplied. I have no doubt I shall be able to discover from the officials of the bureau just how far they have been able to make progress in the direction suggested, what obstacles still remain, and whether in their opinion they are insuperable.

As Mr. Muir is attached to the bureau of statistics perhaps I could give the leader of the opposition (Mr. Bennett) the information he desires in this connection when that particular item comes up.

Mr. BENNETT: This item could pass so long as we are not precluded from getting to the bottom of that other matter.

Mr. ROGERS: The item could be carried subject to the undertaking that the case of Mr. Muir will be dealt with when the bureau of statistics item comes up.

Item agreed to.

DEPARTMENT OF LABOUR

Conciliation and Labour Act, $35,000.

Mr. ROGERS: This item covers the expenditures connected with the printing and publishing of the Labour Gazette, which is the official organ of the department. It also covers the salaries of persons employed as Labour Gazette correspondents, which range from $120 to $300 per year. At present there are only forty-three of these correspondents employed by the department. The item provides also for special work on rental and wage surveys, in providing statistics and for conciliation in labour disputes. I may say that it has been found desirable to make full use of the conciliation branch of the Department of Labour. Instead of encouraging the setting up of conciliation boards, it has been found that a conciliation officer from the department is often able to effect the same results at considerably less expense.

Mr. BENNETT: Could the minister indicate what changes have been made in the correspondents during the last year? I had one communication in connection with this matter.

Mr. ROGERS: I have before me a complete list of the correspondents but I have not a statement of the replacements. I can assure the leader of the opposition that there have been very few replacements.

Mr. BENNETT: I thought perhaps the minister could tell me what the changes were and why.

Mr. ROGERS: I shall have to speak from memory on this matter, but my distinct impression is that the changes made were due either to death or to retirement or, in certain cases, to the reinstatement of correspondents who appear to have been dismissed in 1930 or thereabouts. But there were very few cases of that kind.

Mr. BENNETT: There are only forty-three altogether.

Mr. ROGERS: To the best of my recollection there have not been more than half a dozen changes in the past year.

Mr. BENNETT: Perhaps the minister would ascertain at what points changes have been made.

Mr. MAYBANK: Would this item cover the expenses of the board which recently considered the dispute between the two railway companies and the men in connection with wage cuts?

Mr. ROGERS: That would come under the Industrial Disputes Investigation Act. Conciliation boards to deal with railway disputes or disputes in connection with public utility companies would be set up under that act, which is covered by another item.

Mr. MAYBANK: Just one other question. Under the Industrial Disputes Investigation Act, while I cannot quote the section exactly from memory, the terminology of one section is such as to prevent, or to attempt to prevent, employers from changing hours of labour or general working conditions without reference to the employees of the particular industry affected. I wanted to bring before the house at some stage, and I ask whether this is the proper time, the question of the changing of the hours of labour and general working conditions in the Post Office Department, and to ask whether this government takes the position with reference to its own employees of being under the Industrial Disputes Investigation Act. I should like the opportunity to discuss this question either under this head or at some other time, because it is most important that a government enacting legislation for the guidance of employers should itself be the best sort of employer, and ought to bring itself under its own statutes with reference to its employees. If this is not the proper time to discuss the question, I shall discuss it at some future time.

Mr. ROGERS: Without desiring in any way to curtail discussion on any particular point, I think it would be more appropriate if my hon. friend's question were brought up under the vote covering the Industrial Disputes Investigation Act. I might remind him, however, that the government has enacted a fair wages act, which does cover the wages and hours of labour of its own employees and also of those who are engaged on government contracts.

Mr. HEAPS: Perhaps under this item I might ask the minister if he can give us any information in regard to the strike at the cotton mills at Welland.

Mr. ROGERS: Perhaps my hon. friend will recall that last week the hon. member for Welland (Mr. Damude) directed the attention of the house to the strike at Welland and asked what progress had been made towards its settlement. I informed him at that time that a request had been received by the Department of Labour for the setting up of a board of conciliation. That request was made by the mayor of Welland on behalf of the city council, and also by the employees concerned. It was pointed out, however, that for the setting up of a board of conciliation for a dispute which did not relate to a public utility it was necessary to secure the consent of both parties to the dispute. When the hon. member for Welland put his question to me a few days ago, we were still in communication with the representatives of the company and hoped that they might see their way clear to accept a board of conciliation, but over the week-end it has developed that the company does not feel it desirable to have a board of conciliation established. At the same time they have advised us that they would welcome a conciliation officer from the Department of Labour. They have asked particularly that the chief conciliation officer should go to Welland in order to reopen negotiations for a settlement. That is the position at the present time.

I am glad to say that the employees concerned have also communicated that they would welcome the assistance of the chief conciliation officer at this time. It has been a prolonged strike of some six weeks' duration, if I remember correctly. The Department of Labour from the beginning offered its good offices in the matter, but up to the present time it has seemed to be impossible to bring the two parties together. However, in view of what has taken place in the last few days, I think we may assume that settlement has been brought nearer.

Mr. HEAPS: I am not criticizing anything that the department has done; for I think they have done all that is within their power to bring the parties together. But it does seem to me that the company concerned is playing for time, just in the hope that by keeping the men out longer and making their conditions more desperate they will ultimately compel them to go back on the company's own terms. I think that is a very unfortunate thing. I do not see myself why a company, particular one enjoying all the privileges of protection which this company does, should refuse conciliation, especially when it has been requested both by the employees and by the council of the town of Welland. I do not see what difference it makes whether they have a conciliation officer or a board of conciliation. There is really little difference. Had the company accepted the board in the first place, I have no doubt that the dispute would have been amicably adjusted within a very short time, but as it is now, there is no telling how long the strike may continue or the direction in which it may develop. I am sorry that the company has adopted the attitude it has, and I had hoped that the government would have found ways and means of bringing a company of that kind to time, at least to the extent that they would deal directly with their own employees.

Mr. ROGERS: I might point out that the mere setting up of a board of conciliation under the Industrial Disputes Investigation Act does not of itself ensure a settlement of the dispute, because it would still be open to either party to reject the proposed basis of settlement. So that the sending of a conciliation officer to Welland may conceivably have, and I certainly hope it will have, precisely the same beneficial effect as the setting up of a board of conciliation, and possibly within a shorter space of time.

I can inform my hon. friend that the Department of Labour did hope very much that the company would see its way clear to accept a board of conciliation, particularly in view of the fact that it had been requested by the city council and by the employees. We cannot do more than urge our views upon the company concerned. It rests with the company to determine whether or not under the circumstances it will consent to the setting up of a board.

Mr. HEAPS: All that I was pointing out, and it is borne out I think by what the minister has just said, is that if the company were willing to try to bring about an amicable adjustment, it would have been just as easy for them to say yes to the appointment of a board of conciliation as to say no, and it would at least have shown a willingness on their part to do something towards bringing about the settlement which I know the department so much desires. But evidently the company have thought fit to take a different course of action, and all I can do is to hope, as does the minister, that the chief conciliation officer will be able to bring about a settlement, which is much to be desired in the interests of all concerned.

Mr. WOODSWORTH: May I say a word supplementary to what has been said by my colleague? The minister says: We cannot do more. I think the department can do more. It is only a few weeks since I chanced to be in Welland for a few hours. The strike was then on. I met a number of fairly representative citizens, and they were, so far as I could find, unanimous in wishing for a settlement and in denouncing the very low wages and the very bad conditions that prevailed in that factory. The workers were trying to maintain order, and they were taking the only way open to them to press their claims for decent living conditions.

I received last night a telegram from the Welland textile workers strike committee, urging that this matter should be brought up in the house at an early day. They say they have done their part; they are willing to accept a board of conciliation. Indeed, they plead that a board be appointed. They refer to the very low wages and the bad conditions that have been revealed in the textile industry by the Turgeon commission.

Mr. BENNETT: Perhaps the minister would state the facts so that we might have them on Hansard.

Mr. WOODSWORTH: It seems to me, in view of the published facts with regard to conditions in the textile industry, and having regard to what the people in Welland call the arrogant attitude of the company in refusing to recognize the union or to accept a board appointed by the government, the state of affairs is such that it is not sufficient for the head of the Department of Labour to say, "We really cannot do anything about it."

Mr. ROGERS: My hon. friend is not fair in that statement. I said that we could not do more under the Industrial Disputes Investigation Act. The Industrial Disputes Investigation Act applies to public utilities generally. It can be applied to other industries provided that where a dispute has occurred in such other industry both parties to the dispute consent to the setting up of a board. In the present instance the employees did consent, in fact they requested, that a board be established and that request was supported by the city council of Welland. It was communicated to the company.

Mr. BENNETT: Both parties to the dispute could not have agreed.

Mr. ROGERS: No.

Mr. BENNETT: After the decision of the privy council and the new act you had to have the consent of both parties or else the act was ultra vires.

[Mr. Heaps.]

Mr. ROGERS: That is what I was trying to point out to my hon. friend. When I said that we could not do more I meant that we could not do more under the Industrial Disputes Investigation Act. We could not appoint a representative for the company.

Mr. HEAPS: When was the request made by the city council for a board of conciliation?

Mr. ROGERS: I have not the file before me. I should think it was about ten days ago, and that request was communicated at once to Empire Cotton Mills, Limited, the head office of which is in Montreal. The communication received back from Empire Cotton Mills, Limited, was dated February 5, and was in the following terms:

> We will, however, be glad to cooperate with your department in any efforts which may seem to afford any chance of bringing the unfortunate situation in Welland to a close, and therefore we would welcome any opportunity to discuss matter further with you.

That followed the statement of the refusal of the company to consent to the setting up of a conciliation board, and upon receipt of that communication the Department of Labour at once wired the Welland textile workers' strike committee in the following terms:

> With further reference my telegram third letter received to-day from Empire Cotton Mills Limited declining for reasons stated to give consent to establishment of board of conciliation and investigation. This letter among other things states: "We will, however, be glad to cooperate with your department in any efforts which may seem to afford any chance of bringing the unfortunate situation in Welland to a close, and therefore we would welcome any opportunity to discuss the matter further with you." Copy of this letter being mailed to you to-day and shall be glad to have word from you in due course advising if in opinion your committee this department can be of further service.

Only this morning this reply was received from the strike committee:

> Press reports M. S. Campbell coming here.

He is chief conciliation officer of the department.

> We will appreciate his assistance immediately.

That comes from the strike committee, and the intention is that Mr. Campbell shall proceed to Welland at the earliest opportunity. Unfortunately he is ill to-day, but he hopes to leave for Welland with the least possible delay.

Mr. WOODSWORTH: The minister limits the application of his words to what is possible under the conciliation act. I want him to go further than that. It seems to me that the government can go further in bringing pressure to bear upon the company and it

should do so. As my colleague suggests, this company, in common with other textile companies, has very great privileges under our tariff. I have not the slightest doubt that if there were a strong and determined effort on the part of the government to impress upon the company very definitely that unless certain conditions were complied with these special privileges under the tariff would be withdrawn, not only would the company consider the matter twice, but pressure would be brought to bear by other textile companies to see that present conditions were remedied. When we have the abominable conditions that have been revealed to the public by the Turgeon commission—the public know all about it—I do not think we as a parliament can remain indifferent to this sort of thing. If the men riot and destroy property there is immediately a great cry and it is said that we must stand for law and order. Surely the most important duty of law and order is protection of the lives and welfare of the men, women and children of the country. In the textile industry men, women and children are being subjected to a degrading kind of life. They are not living as Canadians ought to live; it is impossible for them to live as Canadians should live. What is the use of safe-guarding law and order when we neglect the conditions that inevitably produce a breach of law and order—unless the people are content to become abject slaves. These textile workers, as far as I can gather, have proceeded in an orderly way and have been very patient. After a month their resources must be about exhausted, but this local company not only has its own resources but undoubtedly is backed by other aggregations of capital. I do not think the minister ought to stay within the bounds of the present conciliation act. In my opinion the department has a real duty to protect the interests of the workers, their standards of living and their right to organize.

Mr. BENNETT: The observations made by the hon. member for Winnipeg North Centre (Mr. Woodsworth) induce me to ask the minister to be good enough to state shortly the facts of this case. I always think—and my experience has taught me this—that it is very unsatisfactory and unfortunate for us to get a partial statement upon which we predicate conclusions only to discover subsequently that our conclusions were based upon an improper appreciation of the premises. Perhaps the minister would be good to inform us as to the date on which the trouble commenced, what was the cause of it, and what is the real issue which brought about the strike. If that were before the house it would be fair to all parties and would afford the members of this committee a fair opportunity to arrive at a much better understanding of the situation than can otherwise be expected. My hon. friend has used pretty strong language with respect to this strike, and I confess I do not know anything about it. That is why I was hopeful that the committee would have a statement which would enable each of us to apply such knowledge as we have to the facts that are agreed upon as being correct statements of the causes and of the point at issue between employers and employees, and as to what the contentions of the one and the proposals of the other are. The question of conciliation is another matter altogether. The Industrial Disputes Investigation Act having been declared invalid, presumably the minister would say that the Prime Minister of that day was responsible for creating a condition much worse than the condition which existed before, in view of the fact that the court had held that the act was invalid.

Mr. ROGERS: In some respects.

Mr. BENNETT: Yes, I would expect that, the respects being purely political. But if we leave that aside, the position would be that the act having been declared by the court of last resort to be invalid in its application to an industrial dispute, let us say, we have upon the statute book a provision which means nothing at all. It merely says that if people agree to do something we shall do something. But if they can agree, they could agree to appoint a judge of the supreme court or anyone else as arbitrator. It is merely a statement that if they do agree, we shall appoint someone to represent us or we shall appoint the whole board. It is quite competent for two parties to a dispute to agree upon a mode of settling their difficulties. Our statute is merely declaratory, quantum valeat, of that right. The question of conciliation, however, stands upon an entirely different basis. There are a number of fair wage officers in the department—I am going to ask the minister about that presently—and those fair wage officers are charged with the duty and responsibility of investigating any differences that exist between employer and employees in communities.

Mr. MARTIN: Are they conciliation officers.

Mr. BENNETT: I say they are, broadly speaking. I thought the minister spoke of them as conciliation officers for the purpose of endeavouring to bring about what one might call a peaceful adjustment of differences in respect of many matters which arise in in-

dustrial establishments. My observation is that these conciliation officers have done remarkable work, and have brought about many adjustments of which I have had personal knowledge. In other words, in view of the fact that we cannot by law create a body charged with responsibility to determine the issue, for arbitration which was compulsory and therefore invalid, they have substituted negotiation. And that negotiation has in my judgment, brought about very desirable results.

I think the court held that the provinces have complete jurisdiction, that this is a matter of contract—the doctrine of property and civil rights once more—contract between the employer and employees, and the jurisdiction over the contract is provincial, just as Ontario has claimed jurisdiction over certain contracts between the Hydro Electric Power Commission and private enterprise. So, if I appreciate the decision of the court it is that such contracts of hiring, wages and employment are under the direct and complete control of the provinces. If the press reports are accurate—I make the statement with that reservation—the effort we made here to limit hours of labour and to provide for minimum wages, under the conventions made, was held to be bad because the court declared that, notwithstanding the provisions of section 132 and the peace, order and good government provision, this jurisdiction still rests with the provincial legislatures and not with this parliament. Therefore neither conciliation by fair wage officers nor adjustment by a board of conciliation may now be available as far as this parliament is concerned, but they may under the provisions of the Ontario statute, I think they reenacted the Lemieux act in terms; am I right as to that?

Mr. ROGERS: I believe after the privy council gave its decision the provinces did enact legislation which validated the Lemieux act with respect to disputes of the classes named in the dominion act, but which came within provincial jurisdiction.

Mr. BENNETT: Yes, that is my apprehension of the situation. That is why I was anxious to have the exact facts. If that be so, then the jurisdiction to make a compulsory adjustment of contractual relations between employer and employee would rest entirely with either the provincial authorities or a body set up by them for that purpose. But I should like for my own satisfaction—and I think the members of the committee are in the same position—to have the minister give us a short résumé of the difficulties and of the situation as it now exists.

[Mr. Bennett.]

Mr. ROGERS: The dispute was between the employees of the Empire Cotton Mills, Limited of Welland and the company.

Mr. WOODSWORTH: Is that a subsidiary of another company?

Mr. ROGERS: I have no information before me which would indicate that. I am informed, however, that the head office of that company is in Montreal. It is possible that the same company conducts operations elsewhere. The dispute occurred on December 22 of last year. The matter at issue was a demand on the part of the employees for a twenty per cent increase in wages. A six per cent increase had been given by the company a short time before. The company took the position that, owing to the unprofitable operations in this particular plant, it was unable to grant the twenty per cent increase.

Mr. BENNETT: Could the minister give us the hours of labour and the rates of pay that it was sought to increase by twenty per cent?

Mr. ROGERS: I would gladly give that information if I had it. As my right hon. friend realizes, these disputes are dealt with by a conciliation officer on the spot, and it is seldom that we have the record of all the facts until the dispute is closed, so to speak. I have before me a complete list of all the disputes which have been dealt with by conciliation officers and closed. But this present dispute is not yet settled and I am sorry that I have not before me the information asked for. If the committee so desire, I shall be glad to secure that information in order that it may be placed upon the record. It seems to me, however, that we are perhaps not in a position to judge the merits of the issue.

Mr. BENNETT: But we are; that is the very point. The hon. member for Winnipeg North Centre has expressed views which must be predicated upon knowledge of the facts. I have no knowledge of the facts, and I am therefore not in a position to say whether his view is too tolerant or otherwise. If we are to discuss it at all, it seems to me it would be well if we could have before us the facts upon which we might exercise a judgment, which might be wise or unwise, but which at any rate would be based upon knowledge of the facts. I cannot join issue with the hon. member for Winnipeg North Centre, for I have nothing before me which would enable me to speak with any authority. He has used strong language with respect to one of the parties to the dispute; whether or not his

language is warranted is a matter which I think we should be able to decide for ourselves in the light of the facts.

Mr. ROGERS: Then we shall let this item stand. I shall secure as quickly as possible all the information available and place it before the committee.

Mr. HEAPS: Would the minister find out whether this is a subsidiary of one of the larger corporations?

Mr. ROGERS: Yes, I shall be glad to find that out.

Mr. MacINNIS: I think the minister, in reading the letter from the company in Welland said that for reasons stated they would not accept a conciliation board. Would he let the committee know what the reasons were which were put forward.

Mr. ROGERS: What I read was from a memorandum, not from the letter itself. I have not the letter before me. I shall be glad to look into that as well and see if that information can be placed before the committee.

Mr. MacINNIS: The minister has not before him at the moment the information as to why the company refused?

Mr. ROGERS: No; I have a memorandum which I requested just before the house convened this afternoon.

Item stands.

Fair wages and inspection, $11,000.

Mr. MacNICOL: Would the minister tell the committee wherein, if at all, his department dealing with fair wages and inspection overlaps, conflicts with or duplicates the work of similar departments now operating in the provinces?

Mr. ROGERS: The fair wages act which was passed by this parliament in 1935 applies to federal works and works done under contract for the dominion government. There is no question, I think, as to our competence to deal with wages in works of that kind. On the other hand, I think it is equally clear that it would not be competent for a provincial legislature to interfere with wages established by the dominion government on such works. There is no essential duplication at all in the operation of the fair wage act of the dominion parliament and similar legislation in the provinces.

Mr. MARTIN: I wonder whether this might be a convenient item on which to ask the minister if he could tell us how many conciliation officers there are; what is the difference between a conciliation officer and a fair wage officer and what are the duties performed by the conciliation officers when they are not engaged in attempting to settle disputes? I might ask also whether any changes are contemplated as to their functions, their duties and their numbers.

Mr. ROGERS: I am very glad this question has been raised at this time; whether under this item or another it does not really matter. There are four fair wage officers, with salaries ranging from $3,000 to $4,620, stationed at Toronto, Montreal, Vancouver and Ottawa. Their duties include the preparation of wage schedules for insertion in government contracts and investigations of differences arising on this point between contractors and workmen. Payments from the fair wages and inspection vote include travelling expenses of officers, telegrams, telephones, printing, stationery and sundries. It is found that these officers, by proceeding at once to the point of dispute, are often able to adjust differences, thus avoiding the expense of a board of conciliation under the Industrial Disputes Investigation Act.

I should like to elaborate upon that. In this country we have only four full-time conciliation officers—

Mr. BENNETT: Who are they?

Mr. ROGERS: —who at the same time are burdened, as I have said, with other duties which really do not arise in connection with the conciliation of labour disputes. I may give their names. There is the chief conciliation officer, Mr. M. S. Campbell, who, I may say, has been extraordinarily successful in the settlement of industrial disputes.

Mr. BENNETT: His residence being Ottawa?

Mr. ROGERS: Yes. Then there is Mr. Quirk, of Montreal, who covers the eastern district, including the maritime provinces; Mr. Compton, of Toronto, who covers what might be termed the central Canadian district, and Mr. Harrison of Vancouver, who covers British Columbia and the prairie provinces.

Mr. BENNETT: He was formerly at Saskatoon.

Mr. ROGERS: That is true. Last year I discovered that two of these gentlemen were approaching the retirement age. One of them is already over that age, and in the Department of Labour there are no understudies who are in a position to follow on after these men, who within a few years will have to

retire. The work, as I see it, is one of great public importance, and I think I may say to the committee at this stage I felt it desirable that we should make arrangements at once for the appointment of four junior conciliation officers who would have the advantage of the experience of these older men before they were retired. That matter is not before the committee at the moment, but I believe it is in the interest of the efficiency of this branch of the department that this should be done, and I trust the necessary provision will be made for it very shortly.

Mr. BENNETT: Apparently the information has leaked out.

Mr. ROGERS: I do not think I can particularly complain of that, since I believe the change is in the right direction.

Mr. BENNETT: There is only one point to which I might speak, and it is one that arose in the years before 1935. Under the decision of the courts it is competent for any employer to say to a conciliation officer, "I do not want you here at all." That has been one of the difficulties which has appeared in a practical way. I wonder whether the minister has anything to say as to any further development in that connection. Perhaps the best illustration of that was found in a case some years ago in which the employer said, "I am quite capable of carrying on my own negotiations. Thank you: I do not want you." If my appreciation of the law as it stands is correct, we have no right to say to him that he must or should do so and so. Is that still the department's appreciation of the law?

Mr. ROGERS: The conciliation service operates more particularly under another statute, the Conciliation and Labour Act, which leaves it to the Minister of Labour at his own discretion to dispatch a conciliation officer to the scene of a dispute. But experience has proved that if the employer is entirely unwilling to accept the conciliation officer, to send him there may even prejudice a settlement which otherwise might be obtained. I believe actually this conciliation service of the Department of Labour is making its way through a recognition, on the part of employees and employers alike, of the fact that it can provide a very useful service in solving these disputes, and I doubt whether the matter can be dealt with upon any other basis. Compulsion is not going to induce employers or employees to accept willingly the services of a board of conciliation or a conciliation officer.

[Mr. Rogers.]

Mr. HEAPS: How do they do it in Australia?

Mr. ROGERS: I had intended to come to that point. They have worked upon a somewhat different basis there. They have what in effect are wage courts.

Mr. BENNETT: Not in effect; that is what they are.

Mr. ROGERS: They operate as wage courts, originally under state law and now, I believe, under commonwealth law.

Mr. BENNETT: There were two. Mr. Bruce ran one election on the theory that there should not be two and that the federal court should be preferred to the state courts. The response was not quite as general as might have been expected. There are still two courts, the state court and the commonwealth court, and the very difficulty the minister has mentioned here applies in that country as well as in New Zealand. The decision of the court is not binding as a judgment of the court and therefore, notwithstanding the decision of the court, there have been strikes or cessations of effort. The ever present difficulty is the one to which the minister has just referred. You may negotiate and arrive at what you conceive to be a reasonable arrangement. Then, after you go away, one party to the dispute may say, "Well, after all we do not think this is satisfactory," and there is no power anywhere to give finality or effect to the decision that may be reached.

Mr. LANDERYOU: Would the minister give us an idea of what value he places on these men, since apparently these matters seem to be under provincial jurisdiction?

Mr. ROGERS: Perhaps I may answer that in this way. The determination of wages and hours of labour would seem to fall within provincial jurisdiction, with the exception indicated as to federal public works and contracts for the federal government. But there is nothing to prevent the federal Department of Labour from offering the services of a conciliation officer to adjust any dispute whatsoever, provided the parties are willing. As a matter of fact, so far as the duties of a conciliation officer are concerned, it is not essential but it is obviously desirable that both parties be willing.

Mr. LANDERYOU: In this particular instance the one party was not prepared to accept these gentlemen.

Mr. ROGERS: I believe there is some confusion in the hon. member's mind. A little while ago we were speaking about a board of

conciliation which might be set up under the Industrial Disputes Investigation Act. Within the last few minutes we have been speaking about conciliation officers of the Department of Labour.

Mr. BENNETT: Who are negotiators only.

Mr. LANDERYOU: Are they not the same men?

Mr. ROGERS: No; the board of conciliation is set up in this way: The employees' organization nominate a board member; the employers nominate another member, and these two bodies try to agree on a third member who will act as chairman. If they do not agree, the nomination of the chairman is left to the Minister of Labour. That is the way in which a board of conciliation is set up. On the other hand, a conciliation officer of the Department of Labour is a permanent officer of that department who gives his whole time to work such as I have described.

Mr. BENNETT: In a situation of some difficulty in which we were interested we had the province pass an order in council naming the same board as was named here, thereby eliminating the question of jurisdiction.

Mr. MacINNIS: In my experience, conciliation officers have done good work. Even if such legislation were within the competence of the federal parliament, upon this occasion I am not going to express an opinion as to whether or not we should have compulsory conciliation or arbitration. Many observations could be made both for and against the convention. In industrial disputes usually one side or the other may not wish to negotiate. If the labourers or workers believe they have the advantage they take this position: "We have made our demands, and we are not going to discuss them." On the other hand, if the employer thinks the advantage is with him, and that he is within his rights in refusing to negotiate, he takes the same position. The conciliation officer may bring them together and point out to them that the dispute would not only affect the employer or the workers, but have social consequences as well, and in many instances he is successful in bringing the parties together. I believe every possible assistance should be given in the settlement of disputes, but it is my view that in the future the government may have to go much further than they have done in the past. In looking over the present world situation we find that in those countries where trade union movements have been generally accepted by employers and have become a part of the general life of the country, in the last few years labour disputes have been much less than in countries where employers have not accepted the trade union movement.

Mr. ROGERS: Great Britain, for example.

Mr. MacINNIS: Yes, and the Scandinavian countries. Although in past years there have been many important strikes in Australia, despite compulsory arbitration, in the last few years it has been fairly immune from protracted strikes. I believe the government will have to give the matter further consideration than has been given in the past.

Mr. HEAPS: There is one matter I should like to bring to the attention of the committee. I notice that in the item fair wages are implied. I still receive complaints in regard to wages paid on government contracts, and I am wondering to what extent the Department of Labour goes in its investigation of these matters. Complaints are not so much about contracts let directly by various departments of government as about contractors to whom the government contractor has sublet, over which subcontracts the government may have no control. I wonder how far the Department of Labour can go toward seeing that the proper rate of pay is paid to workers on government contracts.

Mr. ROGERS: A schedule of wages is inserted in the specifications of all government contracts, and that specification also covers subcontracts. When a complaint is made an investigation is entered upon by the fair wage officer of the department. I believe one may say the sanction behind the discovery of any offence is the power of the government to withhold the balance of the contract price. I do not believe it is possible to have every government contract under continuous supervision. We have acted upon the principle that when there is a complaint it will be immediately investigated, and when proved, the remedy will follow.

Mr. HEAPS: Must there be a complaint before the department will make an investigation?

Mr. ROGERS: It is not necessary to have a complaint before making investigation, but on the other hand up to this time the department has not accepted the principle that we should employ enough inspectors to give continuous supervision to the performance of all government contractors.

Mr. HEAPS: I think there has been a good deal of confusion in connection with the fair wage stipulation in government contracts.

Mr. BENNETT: Not on the part of the contractor himself.

Mr. HEAPS: It may be on the part of the subcontractor. I am speaking in a general way, and am not directing my remarks to any particular person who may perform government work. I do not believe the government, which has some responsibility in the matter, should wait until a complaint is received. The experience in all provinces has been that there is a tendency for employees to be afraid of submitting their complaints to union or government officials, because of the discrimination which ultimately might be exercised against such person.

Mr. BENNETT: Dismissal from his job.

Mr. HEAPS: I have known of cases in certain parts of Canada where proper wages have been entered in employers' pay-rolls, but where in fact the employers have not paid the wages prescribed by the provincial law and the terms of the contract. I do not suggest that there should be continuous supervision of the pay-roll of employers who are doing government work, but I do suggest that occasionally a fair wage officer should visit the concerns in question and examine the pay-rolls. Sometimes they might do well to get into contact with the officials of the union. Such action would no doubt have a salutary effect upon employers who may attempt to avoid responsibility.

Further, I have had complaints from good employers who want to pay reasonable wages as prescribed by law, or as arranged between themselves and trades unions. They complain about undercutting carried on by certain employers who are trying, by deducting from the wages of their employees, to make up the amount they have lost through a low bid. That is why I suggest to the minister the adoption of some method whereby a fair wage officer or some other employee of the department would have an opportunity of visiting these factories working on government contracts in order to see that the contracts are being lived up to.

Mr. ROGERS: I shall be very glad to accept the suggestion of my hon. friend. I might say that there is quite effective supervision of the larger contracts. Also the schedule of wages is posted on the premises where the work is being done and is available to the trade unions particularly affected. In the nature of things, the complaint would come to the Department of Labour from the trade union whose members were adversely affected.

Mr. HEAPS: Supposing there is no trade union?

Mr. ROGERS: Any individual may make a complaint.

Mr. BENNETT: There is always somebody to write an anonymous letter.

Mr. ROGERS: Moreover, under the terms of contract, it is required that all fair wages schedules must be conspicuously posted on the premises, and it is therefore difficult for the contractor to avoid payment of the rates specified, as each workman employed can readily see for himself the rate to which he is entitled for the class of work which is being performed. The experience of the Department of Labour is that in individual cases where the proper wage rates are not being paid, word to this effect has generally reached the department either through the inspections made by departmental officers or through complaints from union officials, or from the workmen themselves. Very many of these adjustments made have to do with the proper classification of the work being done by individual employees. In all cases where it is found that workmen are not receiving proper payment for the class of service rendered, there is no hesitation in enforcing payment of the rates provided in the specification, for the full period involved.

In conclusion, I should like to say that when the department is enlarged, as I hope it will be, we shall be able to pay more attention to this phase of the work. However, I would not want to suggest that there has been any negligence on the part of departmental officers with respect to the enforcement of the fair wage clause. Any complaint which comes into the department is attended to without delay.

Mr. HEAPS: I realize that it would be impossible to carry on a strict supervision of all contracts let by the government, and I am glad to have the assurance of the minister that when the department is enlarged more will be done than has been done so far. No doubt there is in the files of the department a list of firms which have been notoriously unfair. Under these circumstances I do not think it would be out of the way to strike off the list of firms allowed to tender on government contracts those concerns known to be unfair, no matter what political stripe they might be. Perhaps the government could make up a sort of blacklist. In the past, blacklists of employees have been issued, so perhaps a blacklist of employers could be made up. I think this would have a good effect on employers in general and would tend to make other employers live up to the terms of their contracts.

Mr. BENNETT: I know of no case during the last few years in which any successful complaint has been made as to a violation of the fair wage provision of government contracts. There have been cases where it was contended that there had been a violation of the fair wage clause by subcontractors. I recall vividly the language used in this house by a former Minister of Labour in connection with wages paid on government contracts. The terms of the contracts are as strict as it is possible to make them in our language. It is provided that the wages to be paid shall be indicated on a notice to be posted up in a prominent place on the work so that every person working there shall have a clear appreciation of the wages to which he is entitled. However, on the other hand you have the subcontractor. In five cases out of every ten the work is not done by the original contractor. He lets a subcontract for his plumbing, for his foundation and excavation work and for his heating. This is where the real difficulty lies. In many instances the material was fabricated before the contract was even thought of; it is only when the material is delivered that they claim that particular establishment is unfair in the payment of wages. Bathtubs, copper piping and radiators may all be used in a building and may all come from subcontractors about whom complaints are made.

The minister is familiar with the clause in the contract, but that situation cannot be met in its entirety. We might as well face that quite frankly. I do not think any more men are required in the department to deal with all that we can legally deal with—I refer to the law as it now stands—because we cannot project the mind of the owner, the government in this case, into the past before a contract is let in order to determine that fair wages have been paid in the fabrication of certain materials. That was the fact in certain cases to which I could refer. Pipes, radiators and various items of that sort had been in stock at the time the contract was let. I had to investigate several of these matters and as I felt there must be something wrong, I went as far back as that. We then added to the contract the clause which is now in it referring to subcontractors. That did something to cure the evil.

A clerk of works is appointed on all large contracts. The duty of that clerk is to make a report to the Department of Public Works. Since his attention has been directed to this matter, this clerk now reports, first, that a notice has been placed in a proper place upon the premises. Then he reports as to whether or not any complaints have been made and as to whether or not the going wages as provided by the Department of Labour are actually being paid to the workmen. His job is to watch the progress of the undertaking. He is not the contractor's man; he is a government man. This is what he has been doing and I believe the complaints with respect to that phase of the matter have disappeared.

But we have not got past the subcontractor phase in its entirety. I cannot agree with my hon. friend in his suggestion as to blacklists. The very use of that word recalls memories of speeches in this house about the evils of blacklists; it was contended that these were almost as bad as the black plague or the black death. I do not think the government should do something which, if done by a private individual, would place him in a most difficult position in the courts of the country.

Mr. COLDWELL: Mr. Chairman, I have in mind a different sort of contractor from the one referred to by the leader of the opposition. In connection with many of these contracts there will be subcontractors doing some excavating work. It is men like these who are usually the culprits. They hire people who are more or less connected with or dependent upon them, particularly in times of unemployment. They pay very small wages and no one knows anything about it. I remember several years ago we had a fair wage clause in the contracts let by the city of Regina for the erection of an additional building at the general hospital, and it was thought that fair wages were being paid. Not until some time afterwards did we discover that there was something which seemed to be collusion, and as a matter of fact the men who had been employed at lower than the fair wage were able to collect substantial sums. That is the type of subcontractor whom it is very difficult to deal with; yet he is the one who is something like a parasite upon labour. I thought it well to bring this to the attention of the department so that it might be guarded against so far as possible, although I know it is a very difficult matter to deal with.

Mr. WOODSWORTH: There is another situation which I should like to bring to the attention of the minister. I had a memorandum sent to me only this morning in regard to the condition on the waterfront in Vancouver. It seems that until a short time ago the freight handling, carloading, on the government owned Ballantyne pier and Lapointe pier was done by a certain group of longshoremen at the rate of 60 cents per hour straight time, that is from eight a.m. to five

p.m., and 90 cents per hour overtime, which is any time outside those hours and all day Sunday. Now the rate is 50 cents per hour for any hour of the day or night, and the overtime rate applies on Sunday only.

The suggestion is that these rates have been altered by the Shipping Federation of British Columbia. The shipping federation is said to consist of certain dock operators and stevedoring companies and agents or representatives of various shipping lines, mostly foreign lines, together with harbour officials of the Dominion of Canada. It seems that these harbour officials sit in with this board. I do not know their exact relationship to the board, but the wages are determined by the shipping federation. This board refuses to recognize the I.L.A., the International Longshoremen's Association, as the name suggests, an international union. The question arises, what chance, under those conditions, have thesse men of having any voice in the fixing of their wages?

The men in their memorandum refer to what they state is order in council 7143, dated July 11, 1918. I have not checked this up, but I assume it is correct. Order in council No. 7143 provides that all employees have the right to organize in trades unions; that this right shall not be denied or interfered with in any manner whatsoever, and that through their chosen representatives the employees shall be permitted and encouraged to negotiate with employers concerning working conditions, rates of pay and other grievances.

Now these men have organized, but the shipping federation refuses to recognize them; it will not deal with them, and consequently they have no voice whatsoever. The men say. Why should the dominion government not carry out the spirit of this order in council and insist upon the recognition of the union, more particularly when the dominion government, through its representatives, sits in with the shipping federation which determines the rate of wages?

There is one other point which they bring up. They refer to what they say is the fact that during the waterfront trouble in Vancouver in 1935:

> A delegation of longshoremen were told on June 13, 1935, by a committee of the Shipping Federation of British Columbia that the Shipping Federation of British Columbia intended to smash all unions in British Columbia ports, take control of all waterfront work in British Columbia, and after that to give their fullest cooperation to the Pacific Coast Waterfront Employers in a campaign to crack open all unions down the Pacific coast. That proves the international interests of this body, in which the Canadian government is an acquiescing partner.

[Mr. Woodsworth.]

It does seem to me that the government has a distinct responsibility in a matter of this kind. This may possibly be a matter which comes under the new transport department, but at the same time the conditions are directly related to the work of the labour department. I wish we could have a statement from the minister in regard to the policy of the government.

Mr. ROGERS: I take it that this memorandum relates back to a situation which developed on the Vancouver waterfront some time ago.

Mr. WOODSWORTH: That condition prevails to-day.

Mr. ROGERS: Quite, but as a result of the situation which developed more than a year ago. As a matter of fact, a commissioner, Mr. Justice Davis of the supreme court dealt with the dispute then in existence.

Mr. WOODSWORTH: Between the international and the other union.

Mr. ROGERS: Between the international and the shipping federation. As a result in large measure of his report, peace eventually was restored upon the Vancouver waterfront. My hon. friend will no doubt suggest that peace was restored, but not upon a satisfactory basis. As I understand it, the present position is this. The shipping federation of Vancouver has entered into an agreement extending over a period of years with two other longshoremen's organizations in Vancouver, and the bulk of the membership of these two organizations which now have an agreement with the shipping federation were formerly within the membership of the International Longshoremen's Association. The International Longshoremen's Association at present contains a smaller number of members than the two organizations which made this agreement with the shipping federation.

The right of association clearly does not carry with it any compulsion upon an employer to adopt the principle of the closed shop. There is a clear distinction between the two things. The right of association does mean and ought to mean that no employer should be guilty of discrimination; in other words, no employer should deprive any employee of his employment because he has been active in the organization of a union. But that does not carry with it the recognition of a particular labour organization as the exclusive organization with which a particular employer should enter into an agreement.

Mr. WOODSWORTH: What about the reduction of wages which has recently taken place?

Mr. ROGERS: I am informed that the shipping federation has these agreements with these two organizations, and that the officers of the two organizations have agreed to the existing working arrangements. I am not prepared to answer further the point raised by my hon. friend, but if I can obtain any additional information during the dinner recess I shall be very glad to do so. I think, however, the main points are as I have described them.

Mr. WOODSWORTH: Do I understand that the shipping federation has entered into agreements with two other associations of longshoremen—

Mr. BENNETT: Which claim the right to make collective bargains.

Mr. WOODSWORTH: I should like to know the exact relationship of the government representatives to the shipping federation board.

Mr. ROGERS: I shall be glad to inquire during the dinner recess.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. ROGERS: Before the dinner recess the hon. member for Vancouver East (Mr. MacInnis) asked whether I would place before the committee the letter from Empire Cotton Mills, Limited, in which that company declined to consent to the setting up of a board of conciliation. I have the letter before me. It is rather long, but I doubt whether it would suit the full purpose of my hon. friend if I did not place the entire letter on Hansard. It is addressed to the Deputy Minister of Labour, who is also registrar under the Industrial Disputes Investigation Act. The letter reads:

February 4, 1937.

Dear Sir:

We beg to acknowledge your letter of the 28th ultimo referring to an application on behalf of the textile workers formerly employed in our Welland plant for the establishment of a board of conciliation and investigation under the Industrial Disputes Investigation Act.

Although it seems clear that the act, a copy of which you enclosed, does not provide for such a case as the present strike at Welland, where some of our former employees struck without notice, and without any intimation of any desire to discuss any alleged grievances, and although the present application has not been made until after thirty days from the commencement of the strike, so that none of the strikers are employees within the meaning of the statute, we have, nevertheless, given very careful and sympathetic attention to your request that we should give the application favourable consideration.

We should add that you will observe the applicants have been unable to complete the required statutory declaration which is a condition precedent to the valid establishment of a board, because, of course, they have been unable truthfully to declare that "a strike will be declared."

If we are right in our conclusion that there is no statutory authority in the present circumstances to appoint a board, any board which you might appoint would lack what authority would be conferred upon it if it could be validly appointed under the statute, and further than this, it would have no authority to inquire into many other circumstances related to this strike, amongst which we may mention the circumstances under which a United States union now under suspension by the American Federation of Labour, has attempted by methods of intimidation, the use of the administration of public relief funds, and illegal violence, to induce many of our former employees to join that union.

This union was not present at the commencement of this strike, but has apparently seized upon the opportunity presented to further its own objectives. Whilst doing this it ignores the true facts of the situation and for its own ends, through promises of impossible rates of pay, uses the workers to their own detriment as well as to the general detriment of the community, thereby demonstrating this union's incapability of assuming any of the responsibilities usually undertaken by such bodies. These circumstances have been important contributing factors to the continuation of the strike, and while we would welcome investigation by competent authority we have come to the conclusion that it would be inadvisable to concur in the appointment of a board which would, in fact, have no statutory authority.

We will, however, be glad to cooperate with your department in any efforts which may seem to afford any chance of bringing the unfortunate situation in Welland to a close, and therefore we would welcome any opportunity to discuss the matter further with you.

We have already written to your chief conciliation officer on the 15th January outlining our views in connection with the strike and we wish to emphasize:

First: That we have already restored approximately the 1929 wage scale or better before the strike was commenced. That our policy is to pay the wage rates prevailing in the textile industry in Canada for the same class of work and efficiency under similar conditions, but in many instances we pay higher than the current rates.

Second: That while we have every desire to keep the mill operating, we can afford to go no farther under present conditions. We have already filed returns and given your department information as to this and will be glad to furnish any further particulars you may require.

Third: That while there has been some talk of grievances with regard to mill conditions,

etc., you will see that the enclosed draft agreement sent to the company under date of 9th January, 1937, apparently dealing with the demands of those directing the strike, provides for an increase of wages, but makes no reference to any other grievances with regard to conditions except for the general provision for discussion of such grievances as might arise. As we have already granted the greatest amount of increase which we can afford, we regret that we cannot suggest a compromise on wages. We always welcome, however, constructive suggestions for improvement of working conditions, and apply all reasonable remedies found to be within the means of the company, but this does not appear to be a real factor in the present strike.

Several of the former employees who desired to go on working, and desired to confer with us with regard to the strike, have been physically prevented by illegal methods of mass-picketing and violence from conferring with our officers. On one occasion, the mass-pickets on the public streets seized and turned the motor cars in which some of our former employees were endeavouring to come to the mill for a conference with our officers. On other occasions our office employees have been assaulted, traffic, including shipments of goods in and out of our premises was interfered with and for a time prevented by violence in the public streets.

While we deplore the continuance of the strike and the resulting unemployment of many of our former workers who desire to work, including those who have been misled by outsiders, we find that it is simply impossible for us to make further increases under present conditions other than those which have already been made.

We are, and have always been ready to meet our employees and discuss grievances with them, but we cannot think that it would serve any useful purpose to have a board of conciliation and investigation established without statutory authority on the request of an affiliate of a foreign union which has, at least, joined in conducting this strike by illegal methods.

The letter is signed by F. L. Mitchell on behalf of Empire Cotton Mills, Limited. He signs as assistant to the president.

Mr. WOODSWORTH: What is meant by a foreign union?

Mr. ROGERS: Perhaps I ought not to try to explain what was in the mind of the person who wrote the letter. I would assume that he would be referring to a union which has its head office in the United States.

Mr. BENNETT: Or other foreign country.

Mr. ROGERS: Or other foreign country.

Mr. MacINNIS: To anyone who has not listened to or read some of the evidence which came out before the Turgeon commission, it is really touching to note this company's concern for the welfare of the employees, and the way in which they are being exploited by these foreign agitators. It is really very touching to anyone who does not know the circumstances, but it seems to me that their refusal, at any rate as far as the letter which the minister has read is concerned, is very weak. What statutory authority could a board of conciliation have? If the company were willing to have a board appointed, the board could hear evidence and investigate any matter which they might be asked to look into. I have taken part in the proceedings of many boards of conciliation and am quite well aware that their findings are not binding on either side, but I also know that the side which refuses to present its case has not a very good case with the public. Speaking broadly, I believe it is seldom that one side or the other refuses to accept the award of a conciliation board, because generally when they do they lose the public sympathy that they might otherwise have. So there are few awards turned down, even if they are considered by one side to be unsatisfactory, as is bound to happen in any case.

Mr. ROGERS: The leader of the opposition (Mr. Bennett) also asked if I could make a more extensive statement as to the matter at issue in this dispute. I have looked up the file and I find it contains the wage rates now applicable in Welland.

Mr. BENNETT: I wonder whether they should be placed on Hansard.

Mr. ROGERS: I doubt whether it would serve any useful purpose. They cover the entire field of operations. They are provided confidentially to the department, as they are to the bureau of statistics, from time to time. They cover many pages. Perhaps I might repeat what is, after all, the essential matter at issue, namely, that the employees had asked for an increase of twenty per cent in the existing wage rates; the company declared that it had already granted an increase of six per cent, that the wage rates had been restored to the 1929 level, and that the operations of the company in Welland did not permit it to grant the increases demanded by the employees.

Mr. McIVOR: I should like to ask the minister a question under item 179, limitation of hours of work.

Mr. ROGERS: That is a later item.

Mr. SENN: Certain articles appeared in the press to the effect that married men were receiving only $9 per week in the Welland mill. I should like to know if those were full-time or part-time employees.

Mr. ROGERS: The information we have does not make a distinction between married

and unmarried employees. I doubt whether we have the information which would enable me to confirm or dispute that statement.

Mr. SENN: I asked whether these were full-time or part-time employees.

Mr. ROGERS: That information does not appear to be on our files. Generally speaking, the low paid employees in textile operations are women, and the wages of women are governed by the Minimum Wage Act in Ontario.

Mr. SENN: My information is that the notices which appeared in the press to the effect that married men were receiving only $9 per week were perhaps erroneous in this way, that they were only part-time employees, not full-time.

Mr. ROGERS: I am sorry I have not that information before me. It is material, certainly; I shall be glad to secure further information on that point.

Mr. WOODSWORTH: It seems to me that the document read to us a few minutes ago is so drawn as to prejudice people generally against the claims of the workers. For instance, as regards this foreign union business, the fact is that nearly all the unions in this country have their headquarters in the United States, the international unions. We have had Tom Moore here a considerable time and in this house again and again he has been lauded. He presided until recently over the Trades and Labour Congress of Canada, which may almost be said to be the Canadian section of the American Federation of Labour. It is ridiculous that we should have these held up as foreign unions, and then, as soon as a Canadian union starts up, be told that it must be disregarded because "we want to deal with the well-established, recognized, international unions." Further, we are told that these organizers came in later. What can the men do but bring in the organizer of the union with which they wish to unite? We were told this afternoon that in a great many concerns the wage scales are posted in the plant. Is that true in this case?

Mr. ROGERS: If I might correct my hon. friend, the reference was to fair wage scales applicable to public works and work done under contract with the government.

Mr. WOODSWORTH: I am glad to have the correction. It seems to me that in a matter of this kind where there has been no union recognized, where apparently the company refuses to recognize the union, it is very difficult indeed for the employees to know what is the prevailing wage. They know what they are paid, but they do not know what is the general wage. Whatever may be the ethics of the department in not giving this information to the public. I would say that, especially where there is no union, it is of interest to the public to know what wages are being paid in these factories. It is absurd for us to spend time in parliament discussing this case if all we know is that there has been a gain of six per cent. We do not know what it means; we do not know what the wage was before that increase. All we hear now is that this company adheres to the prevailing rates. Well, if the rates prevailing in Welland are those which prevailed in the factories which the Turgeon commission has been investigating, it is a disgrace to this country that any such institution should be allowed to keep its doors open. I think the responsibility is on the Department of Labour to make an investigation in this particular case and let the public know the facts. That is the only way the employees have any chance of defence unless they take the law into their own hands.

Mr. ROGERS: I hope my hon. friend will acquit me of any intention of placing upon Hansard information which is prejudicial to the employees in this case. He will recall that I placed this letter upon Hansard at the request of the hon. member for Vancouver East (Mr. MacInnis).

Mr. WOODSWORTH: No; I am speaking of the tone of the letter and the form in which some of the statements are made.

Mr. BENNETT: It occurs to me that not only may the minister be warranted in doing it, but it is his duty to indicate the rate per hour being paid to workmen in that factory. It is obvious that if there were a public inquiry those wages would be made known. In the Turgeon investigation wages were always made public. I cannot think that a letter sent to the minister or the department indicating the wages paid can be regarded as a confidential communication. On the other hand, I would not suggest that the minister should undertake to place on Hansard all that vast mass of material, but he should be able to indicate what those working on the looms receive per hour and the number of hours they work per day. He should be able to indicate what other classes of workmen receive for instance, spinners, and those having to do with other branches of activity in the manufacture of the product. I think there is force in what the hon. member for Winnipeg North Centre (Mr. Woodsworth) says when he suggests that we are discussing a matter about which unfortunately our knowledge is

limited. I suggest to the minister that it is no violation of any possible confidence if he makes known to the committee and the country the rate of wages per hour being paid to the various classes of employees, both men and women, and I believe this could be done without much difficulty. I should think it would not take more than half a column in Hansard, because the divisions of labour are not very numerous, unless it is a mill that makes many products.

Mr. ROGERS: I assure the committee that I have no desire at all to withhold this information, but in the form in which it has been presented I doubt whether it would be intelligible. The schedules cover a great many different piece-work operations. Perhaps this is a confession of ignorance upon my part, but I am bound to say that it does not convey to me the information which the hon. member for Winnipeg North Centre desires to have. I shall be glad to see if it is not possible to put it into the form suggested by the leader of the opposition.

Mr. BENNETT: That should be possible.

Mr. ROGERS: I shall be glad to see if that cannot be done.

Mr. BENNETT: The several divisions are not numerous and the rates per hour can be ascertained.

Mr. COLDWELL: If we are going to get any information of that sort, I would suggest that the last suggestion be looked into, that of giving the hours of work. After all, a moment ago the minister mentioned piecework in these factories, and we know that in some factories men are not able to work the maximum number of hours per day or per week. Consequently a wage of $9 a week for part-time work is not uncommon. But that part-time work is really all the work these men can do on account of the operations they perform. I think in dealing with social security legislation and labour conditions, we shall have to take that factor in industry into account. I know that in a large plant of which I had some knowledge several years ago, men would go out and stand around for four or five hours a day waiting for work which would last three or four or five hours. While the rate probably looked all right, the aggregate amount of money that one of those men could earn in a week was relatively small.

I think a community is interested in the matter from this point of view: If men are unable to make enough money in their ordinary avocation to maintain themselves and their families, then when times become bad they become charges upon the community, and the community really has to bear part of the cost of industry, which I think should be borne by industry itself. If this matter of wages and hours could be looked into and reported upon, that side of the question might also be investigated.

Mr. ROGERS: I should like to say just one further word on this point. I am informed by the officers of the department that this particular information is given to the department confidentially. I mention that for this reason, that so far as I am aware there is no law which compels these companies to provide this information, inasmuch as it may affect their competitive position in relation to other companies operating within the same fields. I would think that at all events it would be desirable to look into that aspect of the question. I simply state that as a reservation upon what I said just a moment ago. For my part I have no objection whatever to bringing this information before the committee provided it can be done without prejudice to the position of the Department of Labour in relation to these firms that are reporting to us for statistical purposes.

Mr. WOODSWORTH: Could the item stand, then, until we hear the decision of the minister?

Mr. ROGERS: Perhaps the point could be discussed upon some other appropriate item, with the clear understanding that meanwhile I shall look into the point raised by my hon. friend. I can assure him that I shall obtain the information without delay and present the reasons for or against the policy which has been followed in the past.

Mr. BENNETT: If the information is received as confidential, it must be treated as such, but I suggest that it cannot possibly be treated in that way, notwithstanding what the officials say, for the simple and obvious reason that at the recent inquiry the evidence was forthcoming as to what was paid in every factory in Canada.

Mr. ROGERS: An investigation by a royal commission.

Mr. BENNETT: By a royal commission, of course, but a royal commission is the creature of this parliament, by a statute, it is true. But let me put this to the minister: This cannot possibly affect the competitive position of anyone, for the very letter which was read indicates that they were paying the going rate, that it was the 1929 rate, and further it is alleged that it is an even higher wage than is warranted by the scale in the locality. I wholly agree that the min-

ister must assume a position which will protect the information that has been given to a minister of the crown or to a department as confidential, and that confidence can be removed only by the people who, relying upon it, furnished the information. But I submit that this cannot be so regarded. What is sought is not what the officials are talking about. It is the rate per hour and the number of hours per day that men work. I would undertake to get that information in half an hour in Welland to-night. This story about not being able to understand something —why, it is the duty of these officials to clear it up so that the minister can understand it. It seems to me absurd that in the twentieth century a minister has to rise in his place in the house and say he cannot understand what these figures mean as to the wages paid in industry. How much do they pay per hour to men and women; what are the classifications, and how many hours per day do they work? It seems to me that information should not be difficult to obtain. I am sure if the minister and I went to Welland to-night we would have that information before bedtime without any trouble at all. There is nothing of secrecy or anything like that about it; it is a plain, simple story as to what people are getting per hour and per day, and the number of hours they work per day.

Mr. ROGERS: My statement, as I think the leader of the opposition fully acknowledges, was made in recognition of the position which a minister must maintain with respect to information which is given to him confidentially.

Mr. HEAPS: What is so confidential about it?

Mr. ROGERS: My right hon. friend has referred to the fact that the royal commission on textiles has secured this type of information. That is quite true, but a royal commission has full powers under the Inquiries Act to take evidence of this kind under oath. In other words, the information may be said to be extracted even from an unwilling witness. On the other hand, I am informed that this information was presented to the department confidentially, and that is the only reservation I make. I would have no desire at all to withhold anything from the committee or the house.

Mr. WOODSWORTH: Then, would the minister secure the information from the employees, who would be quite willing to give it? Would it be possible for the department to secure a statement from the employees as to what they were paid?

Mr. ROGERS: I can only say that I shall secure it in the best possible way with the least possible delay.

Mr. WALSH: In securing this information I hope the minister will bear in mind the peculiar manner in which a good part of the help employed in the cotton industry is paid; that is, by the piece, and also the fact that if these men worked a certain number of hours for a certain number of days they might earn so much. But from my experience, after many hours of labour in a cotton mill, it is difficult to gauge what the weekly wage is going to be, for a weaver in particular.

Mr. ROGERS: Exactly. In other words the schedules do not mean a great deal.

Mr. WALSH: They do not mean a great deal. For instance, if a mill is rushed, they will see that the weaver is amply supplied with the wherewithal to continue operating, but I know that in cotton mills where there is not a tremendous amount of work on hand, work is backed up either in the slashing room or in the spinning room, and for that reason a weaver is unemployed for a certain period of time during the day. He is there, but probably he is running only fifty per cent of his looms, or even fewer than that.

Then we must also bear in mind this fact, which I have always felt was unjust to the labourer: He will weave his piece, which will be taken to the cloth room. There it is examined and flaws are discovered. These flaws may be the fault of the weaver or they may be the fault of anything else connected with the development of that piece, but he is called up and fined for these errors or omissions or mistakes. There again the wage of the man is affected. The fine might be only twenty-five cents or it might run as high as two or three dollars. That has a very definite bearing. So, if these figures are to be secured, in justice to the men I feel some reference should be had to the conditions under which they work. I do not want figures placed on the table showing that a weaver running six or eight looms is getting $15 per week, when that figure would represent only what he could earn if he were running those six looms for six days a week, eight hours a day.

Some one has already pointed out that probably his wage for the week is only $8 or $9. Personally I believe that through the Department of Labour some adjustment in the wages of these people should be made. They can be dealt with most unfairly, and can be made pay the cost of slack time, although being actually within the mill for the full length of time during any one week. The minister ought to

bear that in mind when he is getting the information, and make absolutely certain that we are getting correct information and not that which is liable to be misleading. Probably if he got it from the employer and also from the employee, and struck an average, he might get a figure which would be nearer the truth than if he were to obtain the information from only one source. Then, again, I would not place too much confidence in any report which might be developed through the recent inquiry, which is more or less a political window-dressing—the Turgeon inquiry into the textile industry.

Some hon. MEMBERS: Order.

Mr. MacINNIS: When the committee took recess, the minister was answering some questions asked by the hon. member for Winnipeg North Centre (Mr. Woodsworth) concerning the situation on the Vancouver waterfront. Has he that information now?

Mr. ROGERS: I take it the particular point in the mind of the hon. member is that the harbour commission was represented in the shipping federation, which entered into the agreements of which he makes complaint. I believe he is correct in his belief that the representatives of the harbour commission in the past have sat in with the shipping federation with respect to the determination of wage agreements with longshoremen.

Mr. BENNETT: But since the harbour commission went out, what? What has happened since it ceased to exist? There is no longer a harbour commission.

Mr. ROGERS: No; but there is a port manager, and the harbour commission still functions as such in the city of Vancouver. Perhaps the Minister of Transport (Mr. Howe) could give us information on that point.

Mr. HOWE: The previous local harbour board was a member of the shipping federation. Since the central board came into being, consideration has been given the matter, and my view is that we should not be members of the federation. We are large employers of waterfront labour. Just at the time we were dissociating ourselves from the federation, the labour trouble came on and made it inadvisable to change the position at that time. However, I believe I can say that within the next few months we shall dissociate ourselves from the federation.

Mr. MacINNIS: The hon. member for Winnipeg North Centre gave briefly the information he had received from the International Longshoremen's Association in Vancouver. As I understand it—and I had some contact with the organization last summer—the situation is this: In 1923 there was a strike on the waterfront between the International Longshoremen's Association and the employers. The longshoremen lost that strike and from then until 1933 there was no workers' organization on the waterfront. In 1933 another organization known as the Coastwise Longshore and Freight Handlers Association was formed. Then, in 1935, there was another strike. In the fall of 1935 a local of the International Longshoremen's Association was organized but was not recognized by the shipping federation. The unions that were recognized by the shipping federation were the strikebreakers who had been taken in during the strike. Nevertheless men connected with the International Longshoremen's Association were doing some work on the waterfront, particularly for the Kingsley Navigation Company Limited.

Mr. ROGERS: Coastwise shipping?

Mr. MacINNIS: I am not sure, but I believe they had deep-sea vessels; at least I was so informed.

Mr. MULOCK: How much were they being paid?

Mr. MacINNIS: I cannot say what they were paid, but I shall show later that the pay as well as the work was satisfactory. On October 1 of this year the International Longshoremen's Association was informed by the Kingsley Navigation Company Limited that they would not continue to employ association members, because that company was a member of the shipping federation, and the federation insisted that they do not employ members of the association. The minister stated before recess that recognition of a union did not necessarily mean recognition of a closed shop, but I suggest that in this instance it does mean a closed shop. It means a shop in which certain workers belonging to certain unions cannot obtain work.

Mr. ROGERS: But does it not follow, when a company enters into an agreement with a particular union, that employment shall be given to the members of that union?

Mr. MacINNIS: Yes, but the union had an agreement with the Kingsley Navigation Company. However, this company was a member of the shipping federation and this federation, which controlled all shipping on the coast, insisted that only members of their union should be employed. The complaint of the longshoremen is that officials of the Vancouver harbour board sit in with the shipping federation and agree to this unjust

discrimination. I hope the Minister of Transport will find ways and means of overcoming the difficulty, and the federal government will not be associated with a condition of this kind.

Mr. HEAPS: Prior to the recess the Minister of Labour said he would try to find out something about the Empire Cotton Mills, Limited, of Welland. He said he would try to learn whether they are part of another corporation, and, if not who the officers of the organization may be.

Mr. ROGERS: I had not forgotten the question. During the recess I was informed that the Empire Cotton Mills, Limited, was associated with the Woods Manufacturing Company, with head office at Hull. I have not been able to determine precisely the nature of the relationship between them.

Mr. HEAPS: Does not the government give fairly substantial contracts to the Woods company?

Mr. ROGERS: I am not able to answer that question.

Mr. HEAPS: I am under the impression that the Woods company of Hull at different times have been the recipient of government contracts. If such is the case, I believe there is ample opportunity for the government to bring pressure to bear.

Item agreed to.

Conciliation and Labour Act, $35,000.

Mr. ROGERS: This item was allowed to stand this afternoon until certain information asked for by the leader of the opposition (Mr. Bennett) had been obtained. He asked as to what changes had taken place during the last year in connection with Labour Gazette correspondents. I now have this information before me. At Westville, Nova Scotia, Mr. Hale was appointed to succeed Mr. Swan. This was a case of reinstatement as Mr. Hale had been correspondent prior to 1930. At Sherbrooke, Quebec, Mr. J. Alfred Martin replaced Mr. Adelard Mollette. This was another case of reinstatement as Mr. Martin had been Labour Gazette correspondent prior to 1930. At Kingston, Ontario, Mr. H. F. Mooers replaced Major Allan Stroud. This change was made because Mr. Mooers was employment officer. Generally, where an employment office is in existence, the position of employment officer is united with that of Labour Gazette correspondent. Much of the information requested from the Labour Gazette correspondent relates to employment conditions in the particular community.

Mr. BENNETT: How long had Major Stroud been correspondent?

Mr. ROGERS: I am not absolutely certain as to the length of his service, but I think he was appointed shortly after the war. At Brandon, Manitoba, Mr. Edward Fulcher replaced Mr. W. A. Elliott. This was another case of reinstatement as Mr. Fulcher had held the position prior to 1930. At Calgary, Alberta, Mr. Frank Cusack replaced Mr. McPherson. This was not a case of reinstatement. The explanation of this change is that Mr. Cusack apparently was about to be appointed when, on the recommendation of Mr. Stanley, the former member for Calgary East, his appointment was held up and the position was given to Mr. McPherson. Subsequently this condition of affairs was rectified and Mr. Cusack was appointed to the position which he expected to obtain in 1930.

Mr. BENNETT: What were Mr. Cusack's qualifications for the position?

Mr. ROGERS: I judge they were of the same order as those of the man he succeeded.

Mr. BENNETT: That does not answer my question; this man did not succeed Mr. McPherson. Mr. Cusack was not appointed to the position, although he expected to be.

Mr. ROGERS: He is now.

Mr. BENNETT: I was asking about his qualifications. I could give some myself, but I should like to know.

Mr. ROGERS: The Labour Gazette correspondent supplies information to the Labour Gazette office with respect to employment conditions in the community in which he resides and also with respect to wages and other general information as will assist in the compilation of statistical returns. I would judge that Mr. Cusack had the requisite qualifications to carry out the necessary function of the office.

Mr. BENNETT: That is judgment based upon assumption but not upon any knowledge.

Mr. ROGERS: I have not the pleasure of the acquaintance of Mr. Cusack or of Mr. McPherson.

Mr. HEAPS: What remuneration is paid in these positions?

Mr. ROGERS: The remuneration runs from $120 to $300 per year.

Item agreed to.

Industrial Disputes Investigation Act, $10,000.

Mr. BENNETT: Perhaps the minister could tell us how many investigations were held last year, and their cost.

Mr. ROGERS: There were nineteen applications and seven boards were established under the act.

Mr. MacNICOL: The auditor general's report lists eight boards. Could the minister explain to the committee the procedure of appointing one of these boards?

Mr. ROGERS: I think this brings us back to the discussion of this afternoon. The Conciliation and Labour Act permits the Minister of Labour at his own discretion to send a conciliation officer to the scene of any dispute.

Mr. MacNICOL: You do not have to be asked?

Mr. ROGERS: It was pointed out this afternoon that there was a decided advantage in having the consent of both parties to the dispute, even though this is not necessary.

Mr. MacNICOL: When the minister mentioned seven cases, did he have in mind the Bridge River gold mining dispute and the Canadian Collieries Limited dispute?

Mr. ROGERS: Those were in the previous year.

Mr. MacNICOL: I expected that answer and it gives me an opportunity to say that it is almost impossible to understand what we have before us when the report is a year behind.

Mr. ROGERS: My hon. friend should read the Labour Gazette.

Mr. MacNICOL: A few minutes ago the leader of the opposition asked the number of disputes and the minister said seven. I turn up the auditor general's report and I find there were eight. The minister now tells me that these eight were in the previous year. I should like to see this bookkeeping speeded up so that we shall have before us the particulars of what we want to discuss.

Mr. ROGERS: The Labour Gazette, which is published monthly, gives that information from time to time. It will also be found in the report of the Department of Labour which is tabled each year.

Mr. LAWSON: The minister said there were seven investigations; would he tell us what the expenses were in each one and where they were held?

[Mr. Rogers.]

Mr. ROGERS: For the fiscal year 1935-36 there was the Canadian National Railways and Western Stevedore Company and dock employees, costing $342.85. There was the Bridge River gold mining dispute, costing $2,883.65.

Mr. MacNICOL: Those are all in the report.

Mr. ROGERS: Then my hon. friend must have the correct information. I am giving the expenditures for the fiscal year 1935-36.

Mr. BENNETT: That ends on March 31 of this year.

Mr. ROGERS: I was quoting the expenditures with regard to the fiscal year 1935-36. Perhaps I should have given the expenditures for the fiscal year 1936-37, to December 31, 1936. I think that will explain the difference between the hon. member for Davenport (Mr. MacNicol) and myself. I shall begin again and assume that the earlier information is not required.

Mr. LAWSON: The minister is giving it for the calendar year?

Mr. ROGERS: For the fiscal year 1936-37 to December 31, 1936, as follows:

Western Stevedore Company v. Canadian National Railways, $1,537.10.

Winnipeg Electric Company v. employees in gas production department, $1,835.14.

Algoma Steel Corporation v. employees, $1,438.27.

City of Edmonton v. employees (Street Railway), $1,662.18.

Hamilton By-Product Coke Ovens v. employees, $844.22.

Canadian National Railways v. pursers and stewards of the Pacific Coast Steamship Service, $969.30.

Canadian National Railways, Canadian Pacific Railway Company and subsidiary railways v. employees, $315.90.

Mr. MacNICOL: And the ones the minister read first?

Mr. ROGERS: Were of the previous year. I was in error.

Mr. MacINNIS: What have been the results following a report by a board? Has there been further trouble or did the report terminate the trouble?

Mr. ROGERS: The boards were successful in every case.

Mr. MacINNIS: That ought to be a good argument for conciliation in labour disputes.

Mr. ROGERS: I agree.

Item agreed to.

Employment Offices Coordination Act, $9,000.

Mr. MacNICOL: What does this item cover?

Mr. ROGERS: This appropriation is intended to cover expenses for printing, stationery and other supplies, travelling expenses, and so forth in the administration of the Employment Offices Coordination Act. The amount of $9,000 submitted for the fiscal year 1937-38 is $750 less than was voted for the current year, leaving for the supplementary estimates any deficit arising out of the reorganization.

There is another item in the estimates of the department providing for a statutory contribution under the Employment Offices Coordination Act.

Mr. BENNETT: How many of these offices are there now in Canada?

Mr. ROGERS: There are sixty-six throughout the dominion.

Mr. MacNICOL: Do our Canadian employment offices carry on the same work as the employment offices in Great Britain?

Mr. ROGERS: I would not go so far as to say that the service of the employment offices in Canada has yet reached a state of usefulness equal to that of the labour exchanges in Great Britain. The present situation is not wholly satisfactory. The dominion government makes an annual contribution to the provinces, and the actual employment offices are maintained by the provinces, which select the site and determine the personnel. The dominion office exists largely for the purpose of coordinating the work of these offices and compiling information on a national scale. My feeling is that much still requires to be done in order that the employment service in Canada may do the work that it can usefully do.

Mr. MacNICOL: At the moment there is a boom or the prospect of a boom in steel foundries throughout the country. A few days ago I was talking to a foundryman who told me that he had increased his staff to about two thousand men, and would be taking on more. I wondered at the time whether the Canadian employment service, either federal or provincial—apparently from what the minister says the federal office does not do much along the line of employment—assists, like the employment offices in Great Britain, in transferring steel workers, for instance, who may be out of work in Welland to, say Sault Ste. Marie, or steel workers out of work in Owen Sound back to Hamilton. Do our employment agencies do anything along the line of transferring men from one part of the country to another as they do in England?

Mr. ROGERS: Yes. I think it might be useful if I gave the following information.

During the fiscal year 1935-36 the offices of the employment service of Canada registered for employment a total of 677,408 applicants, men and women; listed 375,169 opportunities for work, notified by employers; placed in work 351,886 applicants.

In 7,787 cases of placement, applicants were assisted to move to employment by a special reduced transportation rate of 2·7 cents per mile given by the railways for use by the employment offices, where persons being placed are travelling to employment at a distance where the fare is more than $4.

Of the total of 353,802 placements made, 114,731 were non-local, that is, were made in municipalities other than those in which the placing offices are located.

Mr. MacNEIL: I agree with the statement of the minister that the operation of these offices is quite unsatisfactory. Is it not true that the employment council of Canada acts in an advisory capacity to the minister? Did the council meet in the last calendar year, and were recommendations made to which the assent of the provincial governments might be desired?

Mr. ROGERS: I am informed that the National Employment Service Council met early in 1930, or at any rate at some period in 1930, and has not been convened since. I would point out that to some extent the functions which would be performed by the council have been transferred for the time being to the National Employment Commission. I am far from saying that the composition of the National Employment Service Council was not such as would make it a really useful body, particularly at a period when there was expanding employment. I assume it was not summoned in the last six years because it was felt that there was not sufficient opportunity for it to render service.

Mr. NEEDHAM: Who is responsible for the staff of the labour bureaux throughout Canada?

Mr. ROGERS: The staff of the bureaux is selected entirely by the provincial governments.

Mr. MacNEIL: How many offices are in operation in British Columbia?

Mr. ROGERS: Eight: at Kamloops, Nanaimo, Nelson, New Westminster, Penticton, Prince Rupert, Vancouver, Victoria.

Mr. MacNEIL: What are the functions of these offices with respect to the registration of transient unemployed?

Mr. ROGERS: No duties with respect to the registration of transient unemployed are imposed upon these officers by the federal government. It is possible they have been utilized by provincial governments for that purpose, but we would not necessarily have knowledge of that fact.

Mr. HEAPS: The minister indicated that approximately half of the requests for work are filled by employment offices throughout the country. Has he a classification of the type of work that was found for these people?

Mr. ROGERS: I have not that information before me. I am not certain at the moment whether it is obtainable at once in the form suggested by my hon. friend. I take it he would wish to know how many have been transferred to woods operations, how many to relief work, how many to factory work—

Mr. HEAPS: And farm placement.

Mr. ROGERS: As far as farm placement is concerned, under the existing scheme with the province that information is available, but I suppose my hon. friend is interested in farm placement apart from any scheme of government assistance.

Mr. HEAPS: Is there no farm placement within this category?

Mr. ROGERS: I have before me for the previous year a report printed by the Department of Labour. The hon. member would have no difficulty in securing a copy of it. I could read or place it on Hansard, but I shall be glad to see that he receives a copy of it.

Mr. MacNEIL: Does not the Department of Labour assume responsibility for the policy of placement in Canada? I have reference to the policy as applied to single, unemployed women transients and the difficulties they encounter in being placed in domestic service. Does not the federal government assure these women suitable protection when migrating from one province to another for placement in domestic service? Does the government see that they are protected against unscrupulous employers? It has been brought to my attention recently that there have been sent to questionable sections of cities a number of young women in destitute circumstances whose situation has been taken advantage of by the touts of the underworld. Cannot the federal government exercise supervision to ensure that when any young woman seeks employment and is sent to some address she shall be given reasonable protection and be placed with respectable people?

[Mr. MacNeil.]

Mr. ROGERS: On that point, we do not interfere directly in the administration of employment offices within the provinces. We have assumed, rightly I believe, that the provincial officers who have special responsibility in this matter would have the same desire that our own officers would have to prevent the sort of abuses described by my hon. friend. If, on the other hand, he has any complaint or if we receive complaints that these abuses do occur, we shall certainly be pleased to take them up with the provincial governments concerned. The general administration has, however, been left to them.

Mr. HEAPS: What is the total cost to the federal government of the operation of these offices?

Mr. ROGERS: That comes under another item in the labour estimates, authorized by statute—the organization and coordination of employment offices, under the Revised Statutes of Canada, 1927. The cost is $150,000 a year.

Mr. HEAPS: Is that all it costs the federal government?

Mr. ROGERS: That is the total federal contribution.

Mr. HEAPS: What is the total cost of running these offices throughout the dominion?

Mr. ROGERS: Perhaps I might put on Hansard in parallel columns the total expenditures for employment service and the contribution of the dominion government in the several provinces:

	Total expenditure	Federal subvention
Nova Scotia	$ 12,857 48	$ 4,040 13
New Brunswick	14,040 87	4,411 97
Quebec	101,949 79	32,035 04
Ontario	196,804 93	61,840 78
Manitoba	30,764 31	9,666 88
Saskatchewan	40,354 15	12,680 23
Alberta	37,166 51	11,678 60
British Columbia	43,428 85	13,646 37
Total	$477,366 89	$150,000 00

Mr. MacNEIL: Returning to the question of single unemployed women, I have no complaint against the officials in charge of the various offices, but the impression seems to be that they lack adequate facilities to deal with this very serious matter, and I was wondering whether the minister would not consider some extension of this service so that

a more satisfactory placement might be accomplished and proper protection afforded young women in the circumstances to which I have referred.

Mr. ROGERS: I shall be glad to look into the question raised by my hon. friend with a view to removing any abuses that do exist.

Mr. MacNEIL: To what extent are these various offices in Canada attempting to reclassify the unemployed? I understand that many are now engaged in a reclassification to determine those who are actually unemployable.

Mr. ROGERS: The employment commission has been proceeding with a re-registration and classification of the unemployed on relief, and some provinces may be supplementing that by an attempt to reclassify the unemployed whether they are on relief or not. We had a discussion on this point last year. It does not seem feasible to take a general census of the unemployed. Indeed, it is dou.btful whether such a census could be taken accurately without taking a complete census of Canada. That has been the experience of the United States. It was thought at one time that they could take a census of the unemployed separately, but I believe the conclusion has been reached that they could not obtain accurate results in that way. I agree that the employment offices might serve a useful purpose in the direction suggested by my hon. friend, and certainly, with employment opportunities improving, it is all the more important that there should be a more precise classification of all those who register at employment offices.

Mr. MacNEIL: If, in the reclassification now actually under way, a person in receipt of relief is listed as unemployable, what steps are taken to determine responsibility for further payment of relief to that individual?

Mr. ROGERS: At the present time those who are listed as unemployable are so listed by the municipalities, and I think we are justified in taking it for granted that the test of unemployability is almost entirely a health test. That is, I do not believe that what might be termed occupational disabilities are taken into consideration. I mean by that phrase not disabilities attaching to the occupation, but rather the loss of power to practise an occupation owing to long years of idleness. I do not think one can say that our present test of unemployability is wholly satisfactory. There is a strong pressure on municipalities to narrow the definition, for the reason that it has generally been accepted that care for the unemployable is primarily their responsibility; therefore the tendency is for municipalities to put a rather narrow construction upon that term, and to confine it to those who are completely incapable of performing physical labour.

Mr. MacNEIL: Who then accepts responsibility for their relief?

Mr. ROGERS: In most of the provinces unemployables have simply gone on the relief rolls. That is one question we have to face in this country, namely, that our relief rolls do not consist solely of unemployed who have become unemployed as a result of the depression. That is one element, and we can still say the predominant element, but our relief rolls also contain those who formerly received poor law assistance in some provinces and municipalities and those who might be termed charitable cases. In fact, where formerly we had a number of distinct classifications, those classifications have now tended to disappear; the boundaries, such as they were, between them have been blurred in consequence. It is going to be a problem of great difficulty and magnitude to restore that distinction between unemployment due to physical disability and unemployment due to lack of opportunity for work.

Mr. HEAPS: Where would the minister draw the line between the two?

Mr. ROGERS: I would prefer not to be drawn into a statement on that point at this time. I think that discussion would be more appropriate when the special supplementary estimates are before the house. I have no desire to curtail discussion on the point, for it is most interesting, but there will be full opportunity to bring it up at that time.

Mr. POOLE: Would the minister say there are more unemployables to-day than there were prior to the depression; that the depression has caused many to become unemployable?

Mr. ROGERS: I would agree that it is probably so, but I do not know of anyone who can state accurately the extent to which long idleness tends to create unemployability.

Mr. COLDWELL: If the distinction is reestablished between those who are unemployed and those who are unemployable, and that distinction is made in order to place upon the local authorities the responsibility which they formerly had, then, if that is the purpose of making the distinction, I submit that is an almost impossible burden in view of the financial condition of the municipalities.

Mr. ROGERS: I was careful to avoid saying that was necessarily the purpose.

Mr. COLDWELL: I noticed the minister was careful to avoid making that statement, but I wondered whether that had been considered, because I think it is impossible for the municipalities to bear the cost of those who have become unemployable as a result of the depression.

Item agreed to.

MINES AND RESOURCES

Mines and Geology Branch

For administration of the Explosives Act (Chap. 62, R.S. 1927), $8,000.

Hon. T. A. CRERAR (Minister of Mines and Resources): It might be useful, with the indulgence of the committee, if I made a brief statement concerning the reorganization of several departments into the Department of Mines and Resources. Hon. members will recall that the legislation necessary to effect this reorganization was passed last session. That legislation provided for the possible setting-up of eight directorships. A committee consisting of the proposed deputy minister of the department and several of the other senior officials spent about two months in working out the details of the reorganization. It finally resulted in the setting-up of five branches in the new department. Those branches consist of the Mines and Geology branch, the Lands, Parks and Forests branch, the Surveys and Engineering branch, the Indian Affairs branch, and the Immigration branch. In addition, there was set up under the immediate direction of the deputy minister the Administrative services branch, which supervises the work of all branches in relation to personnel. The purchasing of all departments is centralized in this office, also the legal section, the editorial and publicity section and the mail distributing section. It will be recalled that this new department is a combination of four former departments, namely the Department of Mines, the Department of Immigration, the Department of the Interior and the Department of Indian Affairs. As hon. members will recall, most of those departments had editorial sections, publicity branches and engineering services.

Mr. BENNETT: They did not have in 1935.

Mr. CRERAR: Well, I think they had.

Mr. BENNETT: No.

Mr. CRERAR: If my right hon. friend will read Hansard of a year ago, I think he will find that my statement is correct. At any rate the work has been centralized in this manner. The total net reduction in staff is forty-seven. The total reduction in administrative cost, that is in the city of Ottawa, what might be termed the head office of the Department of Mines and Resources, is $144,000. In my judgment that is only the beginning of the consolidation of work. In carrying out the reorganization regard had to be had to the length of service and the position of many employees. When the bill was under consideration a year ago, I stated that the aim would be to bring about the reorganization with the minimum of hardship to the employees of the department concerned and that aim we have earnestly and honestly kept in view. But what has already been done does not in my judgment by any means complete the economies that can be effected as time goes on.

Now that I am bringing these estimates before the committee, it may be interesting to give some information with regard to the work of each of these branches. For instance, there is the mines branch. There has been a notable improvement in the mineral production of Canada in 1936 as against 1935. In the main that has been due to an improvement in the price of metals, particularly base metals, and also to an increased production of gold. Our gold production for the calendar year 1935 was approximately $116,000,000. We have not yet fully compiled the production for 1936, but it will run very close to $131,000,000, if, indeed, it does not exceed that figure. During 1936 thirty new gold-mining properties came into production, and probably there will be eight or ten more in production within the next four or five months. I doubt if 1937 will see the increase in mill plants that occurred in 1936, but apparently it will not fall very far short of it.

The total mineral production of all kinds in Canada in 1936 amounted to $360,000,000 as against $312,000,000 for 1935. I have already given the increase in gold production. The production of non-metallic minerals increased from $94,500,000 in 1935 to $104,000,000 in 1936. In supplies and wages paid by the metal mining industry in Canada in 1936 we have a total of about $200,000,000, roughly divided almost equally as between supplies and wages, and the dividends paid in 1936 amounted to $78,000,000. I think hon. members will appreciate the fact that this represents a very important contribution to the economic life of the country.

As far as our parks are concerned, as I recall it was stated to the house a year ago that our total investment in the national parks of Canada, if we include administrative costs to date approximates $30,000,000. During the year

work was started on the park in Nova Scotia, at the northern end of Cape Breton island. Hon. members will recall that $100,000 was appropriated for that development last year, and another $100,000 is being asked for in the estimates that will be brought before the committee. In Prince Edward Island $40,000 was appropriated and a site was selected, known as the Dalvey site, if my information is correct, some eighteen or twenty miles from Charlottetown on the north shore of the island. Then hon. members will recall that in our estimates a year ago provision was made for hard-surfacing some roads into our parks in the Rocky mountains, notably from Kingsgate to Radium Hot Springs. That work progressed; the government of British Columbia put up an equal amount as its contribution, and now this road is hard-surfaced from Kingsgate to Kimberley. I may say that this road is in the upper end of the Columbia valley, where the rainfall is very, very small. I motored over the road last autumn, and I think without a doubt it was the most uninviting road to motor over that could be imagined. There is an area there known as the Skookumchuck prairies, and if any person wishes to get an understanding of what real dust is like on a motor road, I advise him to motor over that road. In the estimates this year, not the estimates now before the committee but the special supplementary estimates, we are asking for an additional sum of money toward the completion of that road.

It is estimated that over seven hundred thousand people visited the national parks of Canada last year. The increase at Banff of Canadian and United States tourists, as well as tourists from other countries, was quite notable. In connection with the Banff-Jasper road, which, as hon. members will recall from the discussions of a year ago, is a road to connect the Banff and Jasper parks, $220,000 was spent last year. We are asking for a larger amount this year. Last autumn I had an opportunity of motoring over that road from both ends, as far as it was constructed, and I can say to the committee that without any question it affords access to some of the finest mountain scenery to be found anywhere in the world. Work was also done on the road known as the Big Bend highway, which is the contribution of the federal government to the trans-Canada highway in British Columbia. The east leg of that road is practically completed. Some additional expenditure will be necessary there, and work is now being concentrated on the western section of it from a point called Canoe Encampment, where the Columbia river turns southward down to Revelstoke.

Now we come to the Department of Indian Affairs, which has been receiving a good deal of attention. This branch receives the largest single vote that we are submitting to the committee for any of the branches. I think a serious condition is looming up in our Indian administration. At the last census the total Indian population was 112,000, and I am told that this population is increasing at the rate of from 1,200 to 1,500 a year. If one compares the expenditures during, say the last three or four years or even back as far as six or eight years, with the expenditures of twenty-five years ago, a very substantial increase will be found. That increase is made up mainly in the costs of medical care and hospitalization and in relief costs. For the fiscal year ended March 31 last we spent $755,000 in Canada in direct relief for Indians. In addition to that, some $200,000 was appropriated from band funds for relief purposes, making a total of almost a million dollars for relief.

Mr. BENNETT: About $8 a head.

Mr. CRERAR: Yes, almost $9 a head. Medical services and hospitalization for the same period required $940,000, and the amount spent on education was $1,936,000.

Mr. BENNETT: That is the largest item.

Mr. CRERAR: Yes, that is the largest item. For the current year which will end on March 31 next, I am afraid our relief costs and our costs for medical care and hospitalization will be even larger than they were in the previous year. This is due to the fact, as far as relief is concerned, that the manner of living of the Indians has changed as compared with the way they lived in years gone by. For instance, in the northern part of the prairie provinces, and to a great extent in British Columbia, the Indians lived mainly by trapping and fishing. I believe I stated to the house a year ago—if not I shall give the information to-night—that twenty-five years ago there was an annual shipment from the northern part of Manitoba of from 750,000 to 1,000,000 muskrat skins per year. In recent years it has declined to a mere fraction of that number. There are vast areas in Manitoba suitable for no purpose other than the raising of fur-bearing animals. The same holds true of eastern Manitoba.

Last autumn in Winnipeg one of our Indian agents told me that if something were not done to improve trapping conditions in that part of Manitoba, within five years practically all the Indians would be on relief. We spent a small amount last year and, if I can

get the appropriation, will spend some money this year in creating conditions to bring back the fur, particularly in the northern part of Manitoba. It has been demonstrated elsewhere that this can be done. For instance, muskrats are bred in the state of Louisiana to a point where the annual production of muskrat skins approximates about 6,000,000. The pelts are much inferior to those produced in Canada, and if we go about the business in a proper manner I can see no reason why fur cannot be brought back in Canada, as it has been elsewhere. Indeed, practical experiments conducted on a small scale have proven beyond question that it can be done.

The great difficulty, so far as the Indian is concerned, has been the invasion by white trappers. The white trapper traps clean. It will be of interest to hon. members to know that in the winter of 1935-36 a trapper in the northwest territories used an aeroplane to look after his trap lines. He had qualified for a pilot's licence, had bought a plane, and his trap lines stretched over about 125 miles, following a series of waterways and lakes. The effect was to drive the Indians from that trapping area. We are regulating the trapping by aeroplane because we have learned there are other trappers qualifying to get pilots' licences, and it would have been only a short time until a considerable amount of relief would have been required in this part of the northwest territories. I am already discussing with one or two of the provinces the possibility of setting aside areas adjacent to Indian reserves at which points the trapping will be confined exclusively to Indians. Those negotiations are not yet to a point where I can give further information to the committee. I feel, however, that this aspect of the Indian problem is one of considerable gravity.

I am hopeful, too, that we may be able to make some improvements in our educational endeavours among the Indians. May I bear willing tribute to the splendid work done by the Christian churches of Canada in their effort to raise the standard of living among the Indians. We have seventy-nine residential schools, and in addition a great many day schools. The difficulty in the past in the residential schools was that at perhaps six or seven years of age the Indian boy or girl was taken from the reserve and spent eight or nine years in residential school, where he or she learned about the white man's way of living. When their school terms were over there was nowhere for them to go, other than back to the reserves. This matter is now engaging the serious attention of some of the departmental officials. It is hoped that we may give a training which may be of a more vocational nature than it is at present and thereby make it more valuable to the students. After all, the Indian people in Canada had a culture of a kind. The Indian woman, who perhaps had never seen or been close to white civilization, had developed arts, among which was the art of tanning leather, and making leather goods, some of which were of fine quality.

Mr. BENNETT: And bead work.

Mr. CRERAR: For instance, we find that the Indians of Nova Scotia made excellent axe and pick handles, and excellent baskets, but there was no means by which they could market them. We hope to improve that condition, and I feel quite certain it can be done. Far too often when the Indian had acquired a few furs or something he could turn into cash, advantage was taken of his inexperience in marketing and in values. I believe that this offers a useful field for our educational and welfare departments.

Medical costs are very high, and I am not altogether satisfied with the basis upon which our medical services are being carried out. If the Indian has a slight ailment, in too many instances he is taken to the hospital, and heavy expenses incurred. I make that statement not wishing in the slightest degree to reflect upon the administration. After all, the expenditure is so large that I do believe steps must be taken to try to keep it within bounds, and if possible to reduce it. We have had enough experience to warrant us in the assumption that this can be done. It is a mistake to think the Indian has not intellectual equipment. He has, but it must be directed along the right channel. Above all, our Indian agents and the people entrusted with the administration must have sympathy and understanding, if we are to obtain the best results. I have almost concluded my observations concerning the Indians. Those associated with Indian administration need something of the missionary spirit and zeal.

The immigration branch is, of course, a stationary one. It may be of interest to hon. members to know that a total of 27,000,000 people were passed last year by immigration authorities. That number, of course, includes people who may have gone back and forth many times across our borders but who, on each occasion, would have to pass the immigration officials. In the fiscal year 1935-36, 11,103 immigrants were admitted to Canada, and in the calendar year 1936, which,

of course, includes part of the figure I have just given, there were 11,643. For the calendar year 1935 there were 11,277. It would appear, therefore, that at the moment immigration to Canada is practically stationary.

I thought hon. members might be interested in this brief review of the organization of the department, and some of the problems in administration we are facing.

Mr. MacNICOL: When the Minister of Mines brought down his estimates a year ago, he told us that he intended to make a survey of the different branches of the departments under his control, such as mines, Indian affairs and so on. It is encouraging to have the minister state to-night that he has carried out this promise. Personally, I always like to compliment anyone who makes an effort to grasp the matters under his control. It is not my intention at the moment to discuss any branch other than that of mines, particularly iron. During my surveys this summer I came across several places where the minister had been. When the Indian estimates are up later on, I shall have something to say on them. I was very much pleased to hear what he said about the Indians, and I shall be ready to support him in that connection.

In connection with mines, I should like to throw out a suggestion to the minister in connection with a national iron policy. I know the minister was over the Algoma Central last year because I was told he had been there when I made a survey of the Helen iron mine. He may have something along this line in mind. I remember a year ago I said something about the necessity of an iron policy in Canada, and to-day I am more convinced than ever that the time has come when Canada should plan such a policy. A short time ago when there was some talk of trouble in Europe, the great republic to the south passed legislation prohibiting the exportation of war materials to certain European countries. I have been associated with the iron and steel business for some time and I was wondering what would happen in Canada should Great Britain get into some kind of trouble that we could not or should not keep out of and the United States determine that there would have to be a prohibition of the exportation of iron to Canada. Such action would disorganize completely the iron and steel plants in Canada, particularly those which might be engaged in the manufacture of war materials.

As the minister knows, nearly all the iron ore coming into Canada, particularly into Ontario, comes from the Mesaba and other great iron ore regions south of lake Superior. When he was going over the Algoma Central, the minister undoubtedly heard a good deal about the Helen iron mine and those other great mines up there which are able to produce a low grade ore. The minister may have given considerable thought to this matter, but I should like to see some encouragement given to the development of this so-called low grade ore in Algoma. While I was up there, some engineers and geologists were making a survey as to the possibilities of this ore. I learned that over in Minnesota, where most of the iron ore used in America is produced, outside what is produced in Alabama, they were commencing to use low grade ores. These low grade ores are roasted or sintered in order to take out the carbonate and reduce it to iron oxide. I learned that they figure that within reasonable length of time, perhaps twenty-five or fifty years at the outside, the great ranges of Mesabi and those along Iron river and south of lake Superior will become more or less exhausted. In order to protect the great iron and steel industries of the country they are beginning to mix low grade ore with the high grade.

I am informed—the minister and his department heads will know more about this than I do—that with a reasonable expenditure the new Helen mine could be reopened and a commercial product produced by roasting or sintering the ore. If that could be done it would be a great boon to Canada as the iron and steel industry would be safeguarded and the employment of thousands of men protected should the contingency to which I referred before occur.

I went to the top of the Helen mine. This was rather a hard journey for me as it is about 2,800 feet up and it was quite steep in many places. At the top I was able to see the trenches which had been cut across that mountain to reveal the ore. I forget the number of trenches which had been cut, but I was told that there were plainly visible 100,000,000 tons of ore which could be got out quite easily. I went into the mine about 900 feet to the point where they had stopped taking out the ore, I believe in 1918. If the department could plan some economical and reasonable way in which this iron ore could be developed in Algoma, there would be tremendous possibilities for that fine city of Sault Ste. Marie and the other cities in the south which would be able to obtain iron and steel needs from the plant at Sault Ste. Marie. While I had a word or two to say last year about the iron ore industry in Canada, since that time I have covered a lot of territory. I was very much interested to find that in townships of Leeds and Lanark occurred the first iron smelting in Ontario.

Mr. REID: Is that hematite ore?

Mr. MacNICOL: It was a very high grade ore in Leeds when it was taken out.

Mr. REID: Is it hematite?

Mr. MacNICOL: It would be hematite quality. Hematite means a high grade of iron oxide, and it was high grade ore that was taken out of Leeds. I cannot understand the hon. gentleman as his Scotch is too broad for me, although I am part Scotch myself.

Mr. REID: I asked the hon. gentleman if it was hematite in order to find out whether he knew just what it was.

Mr. MacNICOL: The Algoma ore that was taken out of the old Helen mine was hematite, and the ore that is in the New Helen mine is called siderite or iron carbonate. I know a little bit about the iron business. I found out that the first iron ore production in Ontario was in the county of Leeds. There was also some production at about the same time in Lanark county, but the larger production occurred in Leeds.

It is very interesting to read what the early administrators of this province had to say about it. About 1784 Major Edward Jessup, a resident, I assume, of either Leeds or Grenville—I used to know a Jessup family in Grenville, in the town of Prescott some years ago, and it may have been one of that family, as they were a military family—writing to the governor, said:

> As iron is a necessary, expensive and heavy article to transport, and as we are told there is an iron ore bed and a good place to build iron works between the settlements of Oswatia and Catraque, I beg leave to suggest to His Excellency the setting apart of these lands.

That would be for the development of iron ore. It was 1801 before they commenced producing and they produced until 1811. The next start was at Normandale in 1820 on the shores of lake Erie, where for twenty-seven years they produced what is called swamp iron, a very soft iron, almost 100 per cent pure iron. Then later on production took place at Marmora. All these mines are extinct to-day or, at all events, are not being worked.

The best place to commence, as far as I can see, a national iron ore policy, is the Helen iron mountain in Algoma. Other countries are developing their low grade ores. I read only a few days ago an article stating that the German government had issued orders that all their low grade mines should be put into operation. New methods of roasting the low grade ores make it possible to develop them commercially at not too great a cost.

The minister, I am sure, has in mind what the former Ontario government did in 1923, I think it was, to encourage the production of iron in Ontario. The Ferguson government offered to any body of men who would undertake the production of iron ore in Algoma a grant of one cent a unit, about 75 cents per ton for the finished ore. In the state of Minnesota they are mixing a low grade ore to-day with their high grade ore, and if something were done—the government may have already done it, I am speaking from the point of view of one who does not know what is being done—to encourage the development of the New Helen mine, I am sure that that ore could be taken down to Sault Ste. Marie, to be roasted there, and a large tonnage shipped over to Minnesota for mixing with their high grade ore. Of course, the government cannot give a bounty to iron ore that is exported, but such a development would promote the production of a large volume of iron ore for consumption in Canada. We have large steel plants in Hamilton, for example, and I was told in the United States when I was visiting that country last summer that a company over there was entertaining the idea of erecting another steel plant in Canada just as soon as things got a little further advanced. In view of what the government is now doing to assist the railways in spending about $20,000,000 in rehabilitating cars and so forth, the production of iron ore in Canada would help us, if any effort could help us at the moment, by promoting the expenditure of money on every side right from the production of the ore down to the finished product in the cars.

I believe the time is ripe to commence a national iron policy for the production of iron ore in Canada. I was happy to learn recently that the Hepburn government—I cannot very often say anything good about the Hepburn government; perhaps hon. gentlemen opposite can, but they will forgive me for not saying anything particular in its favour—had announced that it would give a grant of one cent a unit for the development of iron ore in Ontario. I am told by engineers that it would be difficult to produce it for a bonus of one cent and that there is little encouragement in one cent a unit, but if the federal government would do what the Ferguson government expected it would do, also vote one cent a unit for the production of iron ore in Ontario, I honestly believe the iron ore business could be started in Canada again, many thousands of men put to work, and great assistance given to the iron foundries in Canada. It would also be of great advantage, in the event of trouble, if the importa-

tion of iron ore into Canada from foreign countries were prohibited. We would then have our own iron for our iron and steel industries, and iron and steel constitute one of the basic industries of the country.

Mr. DEACHMAN: May I ask how much is one cent per unit?

Mr. MacNICOL: It is the equivalent of 75 cents a ton of the finished ore. That would be approximately $1.50 per ton of finished ore, if both governments contributed. I am not going to get into an argument with my hon. friend.

Mr. DUNNING: The hon. member is very wise.

Mr. MacNICOL: It is not a case of fearing the hon. gentleman in any way. I have been associated with men working in the iron and steel industry for a long time, and it is difficult for me to argue with someone who knows absolutely less than nothing from the practical standpoint about the production of iron and steel. I would gladly discuss the matter with some practical man who has served in the industry for more than a month or two, and then perhaps we could get somewhere, but economists and all that ilk—save me from them, and save them from me too.

I have finished what I had to say. I rose first to congratulate the minister because I crossed his path on several different occasions this summer, and I was pleased to see that he thought enough of his department to go out through northern Ontario and elsewhere to find out just what could be done about improving his department. I hope that great benefits will result from his trip.

Second, I rose to try to encourage, even in a very humble way—because I have not tried to elaborate on this subject at all as it is hardly up for discussion at the moment—the reopening of what is undoubtedly one of the best low grade iron mines in this country, and the reopening could be done economically I am told, because of the vast improvement in iron roasting machinery. I am told that the New Helen makes really good iron when sintered.

Third, I rose, in the hope that Canada will be placed in the position, in the event of her not being able to obtain ore from outside, of producing her own ore necessities so as to keep her own steel and iron plants in operation in times of trouble, or, better still, in times of peace.

The CHAIRMAN: I hesitated to interrupt the hon. member in his interesting remarks, but I wish to remind the committee that we are on item 144 for administration of the Explosives Act, and I would suggest—

Mr. MacNICOL: I followed in the footsteps of the minister.

The CHAIRMAN: I would suggest to the committee that if they passed this item, the next two would afford opportunity for a discussion of the subject started by the hon. member.

Mr. BENNETT: The discussion was not started by the hon. member for Davenport (Mr. MacNicol). The minister, in introducing his estimates, stated to the committee that he thought it desirable to make a statement with respect to the administration of the whole department, and in the course of his remarks he spoke of the mineral resources of the country and the development of the gold industry. The hon. member for Davenport confined his observations to the development of another mineral, namely iron ore, and the discussion initiated by the minister and carried on by the hon. member for Davenport would seem to be appropriate now in view of the fact that the minister, in opening his estimates, discussed the whole subject matter covered by them.

The CHAIRMAN: Item 144 was called.

Mr. BENNETT: Quite so.

Mr. CRERAR: I have very great respect for the leader of the opposition, but I do not agree with his logic on this occasion. I expressly said that I wished to take advantage of the opening of the discussion of the estimates to give a brief survey of the work of the department. That could have been done if the Speaker had been in the chair and the house were going into committee of supply, but it was the only opportunity I had of making the statement and it was after the item had been called by the chairman. I think it is desirable that the discussion should be kept to the item affected; otherwise, if the logic of the leader of the opposition is sound, we might get into a discussion of parks or water powers or anything else. If we keep to the particular item under discussion we shall probably make greater progress. I have no criticism to offer concerning the hon. member for Davenport, but I think the ruling of the chair is correct. The hon. gentleman's remarks would be entirely appropriate under the next item.

Mr. BENNETT: I have no desire to waste time, but when the minister opened his estimates he discussed parks; he mentioned the sum of money spent in Nova Scotia and the sum he proposed to ask for additional parks. He mentioned the sum of money in Prince Edward Island and told of the total

investment in parks. He took mines and spoke of the production in Canada of gold and of baser metals and he also turned to Indian affairs, dividing the expenditures into the sums used for education, medical services and relief. He then turned to the fourth branch, immigration, and said it was stationary. My submission is that it has been customary for ministers—the custom was started in this house by a minister of railways under Sir Wilfrid Laurier—to open their departments to the house, and that precipitated a minor debate with respect to the whole subject matter, giving rise to speeches such as we have heard from the hon. member for Davenport, and to which I understand the hon. member for Huron North (Mr. Deachman) was about to make an appropriate reply. Surely, once there has been an opening of the department by the calling of an item—and this could not be done until the item was called—the item having been called, and the minister having made a statement, we must take it for granted, unless the chairman stops the minister, that those who follow him should have the same latitude. That is logical, and on that assumption I propose to act.

Mr. CRERAR: I shall certainly not get into a controversy with my right hon. friend, but I believe I did state in my opening remarks that I wished to have the indulgence of the committee to make a general statement.

Mr. BENNETT: And I think it is a very proper thing to do; I compliment the minister upon it.

Mr. CRERAR: It might facilitate matters if this item were allowed to pass. It is a stationary item that has been in the estimates each year, having to do with explosives administration. It covers the expenses of travelling inspectors for the administration of the Explosives Act. If this item is passed, then the way is wide open for the hon. member for Davenport or the hon. member for Huron North or anyone else to take part in the discussion we have been having.

Mr. BENNETT: When I hear the minister suggesting that, by the declaration "carried" by the chairman, one can convert a discussion that is otherwise out of order into one that is in order, I think it is time we ceased to quibble about parliamentary procedure. If it will help the minister more readily to accommodate himself to further discussion, I shall not object. The chairman will say "carried" and call the next item, whereupon the member for Huron North will proceed with his speech, after which I may make one myself.

[Mr. Bennett.]

Mr. CRERAR: I did not suggest that the chairman declare the item carried. I suggested to the committee that it might pass the item inasmuch as it is non-contentious, and there would then be an opportunity for hon. members to take part in the discussion of iron deposits.

Item agreed to.

For investigation of mineral resources and deposits; of the mining and metallurgical industries, and of mineral technology; wages, expenses of testing and research laboratories; for publications, English and French, for purchase of books and instruments; for miscellaneous assistance and contingencies; and for investigations by the Dominion Fuel Board, including salaries and all other expenses, $273,000.

Mr. DEACHMAN: Now that the uproar has ceased, I wish to ask the minister a question as to the difference in cost to the public between iron ore produced from Ontario mines and iron ore when imported, as we do import it now, from the United States. Perhaps the minister could give us information in that regard, because I noticed in the speech of the hon. member for Davenport at least the implication that, provided the product were made in Ontario and made by workers in Canadian iron and with Canadian capital, it did not make very much difference what it cost. He cited the case of Germany and the progress which that country was making in connection with the utilization of its products in the manufacture of certain commodities. I read an interesting article in Harper's Magazine a short time ago. It pointed out that Germany was making rubber at six times the cost of producing it from imported raw rubber. Germany is also making gasoline from coal but at a cost which is four or five times what that commodity would cost if imported. I should not like this parliament, at the suggestion of the hon. member for Davenport, to adopt such a policy in connection with the administration of affairs in Canada. My reason for that objection is that the great basic industry of agriculture in Canada is not in a condition to bear these burdens, and so I protest against having them imposed upon us at anybody's behest. After all, true economy is to bring your raw material from wherever you can get it and to manufacture the product cheaply, and distribute it to the people at the lowest possible cost, and if Canadian capital had thought it worth while to tackle this problem of using Canadian iron I venture to say it would have done so. But we are told that they could do it if you gave them a cent a unit, and an additional cent, or perhaps $2 or $2.50 or whatever it is, per ton of finished ore, for the privilege of producing iron ore in Canada.

Mr. MacNICOL: Not $2.50; it is $1.50.

Mr. DEACHMAN: My hon. friend wants help from the dominion government, help from Ontario; both hands are held out.

Mr. MacNICOL: I have a very tender place in my heart for the agriculturists; anything I can do to help them will be gladly done, and any industry I have been associated with has always been happy to help agriculture. But we never find my hon. friend having a good word to say for labour men or industry; we always find him opposing them; he has nothing good to say for anything except agriculture. I like to help agriculture, but I also think of the 800,000 to 1,000,000 men working in industry.

Mr. BRADETTE: I should like to say a few words about this important item. I commend the Department of Mines and Resources for the wonderful work it has done, under both the present minister and his predecessor from my neighbouring constituency, Hon. Wesley Gordon. I praised him both personally and publicly when he inaugurated the new policy of sending out geological parties covering practically the whole mineral area of Canada. I was glad to see that last year and this year again this vote is enlarged, as this work has resulted in greatly adding to the knowledge of our country and its mineral formation.

There is one other item for which I beg the government to enlarge its appropriation in the supplementary estimates if at all possible; that is road construction to the newer mining sections. There was a time when northern Ontario and, indeed, the whole of northern Canada was thought to be a barren waste. Northern Ontario has shown not only to Canada but to the whole civilized world that we have there the greatest potential mineral wealth under the sun. There are occasions when, through lack of roads, it has been impossible for some of the new mines to be developed. I should not like to see the government embark upon a policy which would favour certain kinds of wild-catting, which exists to some extent at this time. There may be a little too much speculation at the moment; this is not the time or the place to mention what has been going on, but I know it came to the ears of the department that in some sections the public had been taken for a ride, and I hope the provincial governments more particularly will see that at the present time when we are emerging from the depression the people will not be fleeced. But the responsibility rests upon the federal administration to help road construction in some of the new mining sections of Canada. I would never be in favour of a policy of spending large sums in sections where there are merely new prospects not proved by actual development. But the fact remains that at present there is a shortage of roads, summer roads and winter roads, but more particularly summer roads, to give access to new mines.

I commend very highly the Department of Mines and Resources for their policy of road construction inaugurated last year, and hope they will find it possible to enlarge it. Perhaps it is not divulging any secret if I say we thought that in northern Ontario, in Temiskaming and Cochrane, and also in northern Quebec, not enough money had been spent. Doubtless the committee have heard some talk about secession from some of our newer sections, but there is nothing in that. At the same time the government must know that as far as northern Ontario and northern Canada are concerned, the mineral industry is a source of great riches and of revenue to both provincial and dominion governments. We do not want all the money to be spent in our own section, but we feel we are entitled to a fair share. The words of praise and commendation which I spoke of Hon. Mr. Gordon apply just as forcibly to the present minister. I was also able very sincerely to compliment the former Minister of Mines of Ontario, Hon. Mr. McCrea, and I feel that the same commendation is due to his successor, Hon. Mr. Leduc. Their work has been of great help in bringing the country out of the depression. Again I express the fervent wish that the federal government will find it possible to spend more money on road construction and also to increase, if possible, the geological parties we have had for the last two years.

Mr. BENNETT: If the faith of the minister is anything like that of his predecessor, whose footsteps the hon. member for Cochrane (Mr. Bradette) says he follows, one can suggest that he continue his activities. The explanation which he has given of the consolidation of his department I think merits the approval of this committee. When he suggests that the total saving in personnel is forty-seven in the Ottawa administration, it is important to ascertain what the effect was on what one might call the outside service, about which we may have occasion to speak later. The monetary saving at the moment is apparently over $100,000.

I sympathize with the minister when he refers to the difficulty of dealing with men who have been long in the service. When the Department of the Interior parted with

the natural resources and they were turned over to the provinces, the same difficulties arose and they have not yet been disposed of, for many of those who took pension at that time were not old men, and although orders in council were passed that they should, whenever possible, be afforded opportunity for employment, many of them are still out of the public service. So the difficulty the minister has had to contend with has been considerable.

He divided his observations into four heads. He spoke of the mining industry. May I say to this committee that in the mining industry as such the Dominion of Canada has a very limited interest; for the natural resources belong to the several provinces and not to the federal government. The federal government is no longer trustee for the natural resources of the country except in that part which is not under provincial control. In the Northwest Territories we have still direct control of the mineral wealth. The extent to which, without compensation by way of taxes, the federal government should interest itself in mining ventures is a matter that is open to much discussion. In South Africa 60 per cent of the profits of the great Premier diamond mine was taken by the state. And in the great mining development which goes on in that country 50 per cent of the increased price of gold is paid to the exchequer; it is less than 50 per cent in some mines, but broadly speaking that is the proportion. Why? Because the nation is responsible, and not the individual provinces, for the increase in the price of gold and the values thus created. That matter is one which has been dealt with by this parliament in a manner without precedent, as was stated in the speech of the Finance minister last year, about which something will be said later. That is the position in South Africa, and in other parts of the king's dominions.

Here we are rendering a very distinct service, and we have it on record that the government do not propose to ask that any contribution be made by the gold mines other than that which they pay as income tax, like other industries. In no other part of the world has gold itself been so looked upon—and why it should be here, is, as the late Rudyard Kipling would say, another story. But I do point out that in dealing with the question of mines and minerals we have some obligations in respect of the unexplored territories, and it is our duty so to conserve those resources as to see that the utmost value enures to the people for whom they are held in trust. I have no doubt it would be desirable for the dominion government to carry on gold-mining operations in the Northwest Territories. If we should be successful in finding a large deposit of gold, it would enable us to make a payment of our national debt on a scale that otherwise is denied to us, for the only method by which we can hope to make any large payment on that obligation is through some effort of that kind.

The same applies to some of our provinces. That, however, is a matter which involves policy, which need not now be discussed. It must not be forgotten, however, in dealing with our mines and minerals, that the rearmament program of the nations has provided a new market for lead, zinc and copper, and already there are distinct signs that with respect to these metals there is a diminution of demand and an increase of supply. So we must not think that by substituting mining for agriculture we can bring about anything like a restoration of the prosperity of the country. Although it is new wealth it must not be forgotten that it is a failing asset. It is an asset that disappears once and for all, as far as the country itself is concerned, and our only direct receipt of income from these organizations is through the income tax which is paid. I think it was well worth while, as the hon. member for Cochrane has said, to take the steps which were taken by the former Minister of Mines, because at that particular moment this country was in such a position that any increase in its new wealth by methods such as were pursued was greatly to be desired.

I would be loath to believe that of all men the Minister of Mines and Resources had concluded that the mining industry could ever take the place of the agricultural industry in a country such as this. We have conditions here that are very difficult for us to overcome. No man ever realizes that more than when he goes away from home. Climate, the nature of our soil, drought, and matters of that kind make one realize the magnitude of the problem with which our people have to deal. In connection with mining we have the uncertainties to which the minister alluded, as compared with the certainties that prevail on the Rand in South Africa, where they have a completely developed territory and know exactly what can be found, because they have a uniform quality of mineral deposit that is certain to produce results from their operations, which is not quite true in this country at the moment. I think we can reserve further observations

with respect to the mining industry for another occasion, because there will be ample opportunity on one of the other items.

With respect to the Indian problem I confess that I share the minister's view as to its seriousness. We have less than 125,000 Indians in Canada. The population has increased slightly. At one time it was diminishing. It has increased because we have taken such good care of the Indian population, and in my judgment that in itself is to the credit of the Canadian people. The minister has very properly pointed out that the cost seems to be out of all proportion to what reasonably might be expected for the service rendered. I must say that there are two items I have always found it difficult to understand. When estimates were prepared; when one had to consider the question from every angle in days of great depression, I must say that I found it difficult to ascertain by any explanation which could be afforded what value we got for nearly $2,000,000 spent on education. I say that to the minister very frankly, and I agree with every statement he has made. Sometimes I used to fear that there was more interest in getting a per diem allowance with which to enable institutions to continue their work than there was in anything else, because it goes without saying that what the minister has indicated is true. You cannot take boys and girls out of teepees at five and six years of age; put them into residential schools; turn them back to their homes during summer vacation and finally back home after they have completed their education, and expect them to give that account of themselves which one would expect for the moneys expended. Not long ago I heard of a Cambridge graduate who had gone back to his coloured country people in Africa and had reverted to the customs and habits of his tribe, despite all the effort that had been put forth in regard to his education.

I have been close to the problem in various parts of my own province, in connection with the Blood Indians in the southern part of the province; the great tribe that lies just west of my own constituency, the Stonies, the great hunters; the Sarcees, who are not far from Calgary, and that great tribe which has its headquarters near Gleichen. At Macleod, at Morley, at Sarcee and at Gleichen there are four distinct tribes of Indians, and certainly the effort which has been made to preserve their health, to teach them some of the elements of sanitation and to give them some ideas in the way of education has been highly successful in this sense, that they now realize the value of a hospital; they realize the value of cleanliness and they realize that preventive medicine is more to be preferred than any curative efforts that may be made. We have established doctors upon the reserves; we have built hospitals. In some cases the band funds have been responsible for it; in other cases we have made direct grants, but I do not see how we can lessen those contributions to the well-being of the Indians if we are to maintain the ground that we have won by such great effort. I have seen the change which has taken place since I have been in western Canada. At one time there was a diminution in the Indian population. It is now increasing, and this is a distinct tribute to the efforts that successive governments have made to provide medical services and teach the rudiments of preventive medicine to the Indian population.

I have thought, and perhaps the minister will agree, that in some of these places they might be more successful in their grazing operations. They have raised cattle with indifferent success, for some strange reason. At Gleichen they have a coal mine which they operate with success, and the herds on the Blood reserve are substantial, but whether the operations of the department in that regard can be expanded, I do not know. That is a matter which, I imagine, would engage the attention of the minister and his officials. In connection with the question of education, however, I believe the minister's observations are entirely warranted.

Having exhausted what he had to say with regard to mines and the Indians, the minister turned for a moment to the position in connection with parks. I sometimes think we exaggerate the exact value of the tourist traffic in this country, but that it is a very, very important industry for the purpose of adjusting unfavourable trade balances, as an invisible item, goes without question. When one contemplates the number of people who cross and recross the boundary between this country and the United States and the amount of money that is left here from year to year, it is difficult to estimate it exactly. The parks have played an ever-increasing part in that tourist traffic, and we can afford to spend money in developing them, because that money will produce a real dividend. I am not sure that, as far as the federal government is concerned, the tourist traffic does not give us a greater direct dividend than the moneys we receive, for instance, from one industry at least that has been mentioned. The tourist traffic is so important from the standpoint of an invisible item in our trade relations with other countries that it is difficult to overestimate its value.

With respect to the various park administrations, one can only say that the expenditure of $30,000,000 includes administrative costs as well as capital costs. I hardly think it is fair to include administrative costs, in that sense, but the minister has given them to us only for the purpose of information.

With respect to immigration, I find it difficult to understand why, on the set-up, the services of the deputy minister were dispensed with, for of all the men engaged in the public service from 1930 to this day, no other single man brought about such economies in the public service as did that man. He took the soldier settlement and allied problems connected with loans, and made adjustments such as saved this country more money than is involved in what the minister has now done. Instead of there being forty-seven less people in the employ of the country, the number is very much larger. Before we conclude our discussion of the estimates I shall be able to ascertain what the number is. I remember having noted it, because it struck me as being very large. I do not believe any public servant during my time made a greater contribution to the economic and efficient operation and administration of a department than did the gentleman whose services were dispensed with. However, that is by the way. This does not seem to be the proper place to discuss a question which I believe is very important, namely, whether or not the question of the movement of people into Canada should longer remain stationary. This is a problem which will have to be considered at greater length than I feel disposed to deal with it to-night. But the time is rapidly approaching, if in fact it has not already arrived, when we must realize that the burden of taxation imposed upon our people, and the revenue necessities to meet the charges against our income, have become so very great that an additional number of units is necessary, if we are not to overburden per capita those who are in this dominion.

In addition, there is a larger problem connected with the issue, which need not now be discussed, namely the problem of the waste places of the country being peopled, and the necessity for a readjustment of population in the world. However, this is not a matter with which I shall attempt to deal to-night.

The hon. member for Davenport (Mr. MacNicol) referred to the iron industry, and I believe the hon. member for Huron North (Mr. Deachman) also dealt with it. I have only this to say: On more than one occasion I have investigated the matter, and I fancy the minister has done likewise. In Canada we have not, in quantities, iron ore of a quality which would enable us, without importation from some source, to produce the pig iron essential for the production of various kinds of steel. We have iron ore; we have good iron ore, but we have not iron ore located in quantity and quality so as to enable us to deal with the problem in its entirety. Successive ministers have grappled with the problem; successive governments have investigated it, and I regret to say that successive reports have shown just what I have indicated.

At this time, apart from importations from the United States, we import a quantity of ore from Newfoundland. As is known, Newfoundland sells large quantities of ore to Germany. Great as are the German deposits, they still have to rely upon importations. Britain no longer finds herself able to supply her own requirements, and iron ore importations to England come from Sweden, some even from Wabana, Newfoundland, and other parts of the world. The only countries in which I have seen deposits of iron ore located within reasonable distance of the sea in quality and quantity sufficient to produce the highest grade of pig iron and steel, are in South Africa and Australia. The plant at Newcastle, Australia, is one of the four great steel plants of the world: yet we never hear of it. The one in South Africa is far inland, at Pretoria, where they have iron ore situated at some distance from the city, and of a quality which enables them to produce pig iron and steel of the highest grade.

I agree with the observations of the hon. member for Davenport. It is highly desirable that if there is any iron ore in Canada capable of being developed to produce pig iron or steel, we should develop it. I can say to the hon. member, however, that successive governments have made the most extensive investigation, and without the importation of certain qualities of iron ore from other countries we are not in a position to produce the quality of pig iron essential to the development of a great steel industry in this country. I say that with great regret, because it has always been my opinion that the Mesaba range should have been part of Canada on any fit and proper adjustment of boundaries. However, it was decreed otherwise. If one will take the trouble to read with care the life of the late Sir William Van Horne, he will find how nearly the iron ores in that range were to being in possession of a Canadian company rather than a great American company. However, that is not a matter of importance at this time. It is important only because we

rely to a great extent upon another country for our supplies of iron ore to serve our blast furnaces.

The minister has before him a very great opportunity. I can only say to him that I sometimes envy him that opportunity, for in days of great depression the visions and hopes which one had of being able to make reorganizations and adjustments along business lines in some of our departments were never realized. In part, they were realized in the Department of Finance, but outside that they were not. Attacks made when the Department of the Interior was reorganized by reason of resources being passed on to the provinces brought about an almost intolerable position, even in this community, because of the resultant superannuation of so large a number of persons. The very fact the minister has been able to reduce the staff by consolidation only by forty-seven indicates not only the difficulty but also something of the strength of that imponderable force which one has to meet whenever an effort is made to improve the public service of Canada by any reduction in its numbers.

If he will study just one front page of one document, one magazine which came to my hands the other day, he will realize clearly exactly what I mean. If consolidation is to be brought about, we shall all have to help in doing it. There is not a general disposition on the part of all of us to see our friends, as distinct from somebody else's friends, deprived of the employment by which they earn their livelihood. We are all perfectly willing that somebody else's friend should leave his position, but none of us is prepared to think our own friend should, with the result that a reduction of forty-seven is the net result of the effort the minister has made. I congratulate him upon it. I miss my guess if between now and the time when tired and worn, he surrenders the seals of office, the forty-seven has not been reversed and the figures show plus, not minus.

Mr. McIVOR: I shall try to be brief, but I should like to commend the minister for his hearty cooperation in helping to develop the north country. I believe it is the duty of members from mining constituencies to make themselves familiar with everything in those constituencies. I found that while I visited mines in other places I was not familiar with those of my own constituency. When I got off the train I made a trip of twenty miles in to a mine. May I say it took five and a half hours to go in and five hours to come out. Perhaps the truck ran better on the way home. I think we could have walked much faster. I thought that mine was being forced to operate under unfair conditions. I got into touch with the Minister of Mines and Resources (Mr. Crerar); he got into touch with the Minister of Labour (Mr. Rogers) and with the provincial members, and we were finally able to get $4,500 for the improvement of the road into that mine.

I answer the leader of the opposition (Mr. Bennett) with some fear and trembling, and I congratulate the minister upon the progress he has made in taking care of the Indians. I visited three bands of Indians north of lake Nipigon and I found there something which I did not think existed in Canada, that is, cooperation being practised on a very large scale. I saw the finest patch of potatoes I have seen since I left the Emerald Isle. This patch was thirty acres in extent and the potatoes were all large and clean. These boys knew how to raise, plant and cultivate the potatoes. I think our Indians should be taught how to live as well as how to make a living. With the exception of two old people, not one person in those bands was receiving relief. I think the minister should be commended for the progressiveness and the educational features of the Indian affairs branch.

Mr. CHURCH: I should like to say a word or two about this very important item. I consider it to be one of the most important to be considered by the committee of supply. It deals with mining and metallurgy, with the Dominion Fuel Board and all that sort of thing. I must say that there is only a skeleton department to handle this very important phase of the natural resources of Canada. There has been a steady increase in the number of students enrolling at McGill, Toronto, Queens and the other Canadian universities for courses in mining and metallurgy. We should compare this item for this very important work with the items voted in the United States. There may be concurrent jurisdiction as between the dominion and the provinces, but I do not think it goes far enough. There is no coordination, and there should be.

The universities have been coming to this parliament for many years but we are doing nothing for them. Three years ago the Canadian Council of Mining and Metallurgy met in Ottawa. This organization is composed of the great men in this great profession. Many of these men are graduates of the universities of this country. We should consider the work being done along these lines in Germany. Many students who are in their third and fourth year of practical science spent last summer working at pick

and shovel jobs in the mines. These students should be taken care of the way they are taken care of in Germany; they should be put to work making a scientific study of these problems. We are absolutely behind the times. We are voting only three-quarters of a million dollars to provide merely a skeleton department to handle this very important work. This is the same sort of department as we have in connection with health matters.

If the government want to do something to bring about better times, they should take note of what is being done in some of the large universities of the world. In those universities every provision is being made for the advanced study of these great problems. The government would derive untold revenue if they provided further assistance along these lines. Many of our great engineers have gone to South America, South Africa and Australia. The number of students enrolling for these courses has increased in recent years. At one time civil engineering, chemistry and other courses used to be popular, but now it is mining and metallurgy. The former government voted about $2,000,000 in order that surveys might be undertaken throughout the country. This was only a drop in the bucket to what could be done.

The latter part of the item deals with the Dominion Fuel Board. This board does very good work. As all members know, this is one of the coldest countries in the world. We have from seven to eight months of cold weather and we are still dependent upon American supplies of coal. We are not doing very much to provide the working classes of this country with cheaper fuel. The two inquiries which have been held into the matter of fuel supply did not touch the national fuel problem. Ten or twelve years ago this house adopted a national fuel policy. Under this policy all the fuel used in Canada would be British mined, that is, mined in England, Wales, Nova Scotia or Alberta. In answer to a question the other day the Secretary of State (Mr. Rinfret) said that they could not give the movement of coal from the maritimes to the head of the lakes. There is a booklet issued by the Department of Labour containing fifteen or twenty tables which deal with this fuel problem and its relation to the work of the fuel board. Are we going to be dependent forever upon the United States? Why do we not develop our own fuel supply?

Why do we not utilize the latent talent now lying idle in the universities of this country? The last commission's report shows that they did nothing and they did it well. I think the work of this Dominion Fuel Board should be expanded. The universities should be given the opportunity of cooperating with the government. We should develop a policy of Canada for Canadians. The engineers who took part in the great hydro development were all graduates of Toronto, McGill, Queens and other Canadian universities. I can see very little hope in this item for our universities. What we should be doing is voting several million dollars to provide for surveys all over the country which would utilize every student in our universities. This opportunity should be given to the poorer students who are dependent upon what they can earn at such work to pay their fees. I hope in the not too distant future we shall wake up in this dominion. We are miles behind the times. I direct the attention of the committee to what is being done in Germany and also in Wales. There are very good men connected with this Dominion Fuel Board, but their hands are tied and they can do nothing. I commend the minister and his officials for the good work done already, but much better work can be done if an opportunity is given to these men to do it.

The deputy minister has a national reputation, and I want to compliment him upon all he has done for the mining industry. If we are to increase the wealth of this country and have a greater output from our mines, I plead with the government to utilize students during the summer time so that when they graduate they will not leave their country but will stay here and be a credit to Canada after all the toil and labour which they and their parents have put into their training.

Mrs. BLACK: Mr. Chairman, coming from a mining constituency I should like to say a few words to the hon. minister (Mr. Crerar).

For the past few years, as he knows, we have had geological surveys coming into the Yukon, and they have done wonderful work. I believe it has been intimated that in the future men are to do some prospecting for the government. I hope that is so. We have an enormous territory covering over 200,000 square miles, and we export only gold, silver, copper, zinc, lead and a few other metals. There are some coal mines in that country, but so far the coal has not been of a quality that we could use comfortably.

The gold mines have been far more valuable in the last few years because of the rise in the price of gold to $35. In Dawson district one company has operated very largely, and it did very much better in the past year than in previous years. I spoke of their camps last year. This summer when I went north I found that new camps were built, and that the men were far better looked after than in all the years I have been north. At one of

the camps the superintendent told me it was only a temporary camp. I looked at him when he told me it was only a temporary camp because to my certain knowledge it has been a temporary camp for seven years, and is likely to be so for another seven years unless somebody gets after it. But generally the camps have been improved, and that part of the country is doing infinitely better.

They have not done what I feel they should do with regard to their hours of labour. They work their men ten and twelve hours a day, and I do not believe a man can work properly at mining for ten and twelve hours a day. In the silver mining camp, at Treadwell-Yukon, the men work eight hours a day.

The Mayo district is dependent almost entirely upon the output of silver. In the early twenties when silver went to $1.38, a new high, the district was a beehive of industry; we were fortunate in having in charge of the Treadwell-Yukon mine a mining engineer who was a worker himself, an ambitious man, and he did the best he could for that part of the country. In 1925-26 silver went down to 58 cents, and in 1928-29 to a low price of from 25 to 27 cents, and the mines were closed down and hundreds of miners were thrown out of work.

The silver mining industry is a difficult industry in that country because the ore must be sacked. At first it was raw-hided, taken fifty miles to the river bank, stored on the river bank during the summer, then put on barges and steamers and taken down to Stewart on the Yukon river, then moved up river to White Horse, and from White Horse transferred to barge and steamer, then put on flat cars and taken to tidewater at Skagway and brought out, and again transferred from steamer to train. It is pretty difficult when one has to carry ore in that way. At the Treadwell mine in Juneau, the ore can be worked at a profit of from 90 cents to $2 a ton, but in the Yukon there is only a very small profit when silver is 40 cents an ounce. That I think the minister can readily understand when he knows what our transportation system is.

Owing to the very high water we had this summer there was trouble along both the Yukon and Stewart rivers. Several barges were lost; some ore was lost; other ore had to be resacked and transferred, not once but several times. If it had not been for the ore stacked on the shore at Mayo, the town would have been almost washed out. In that town there were only three buildings which were not under water: the government liquor store, of course, and this was a blessing in a way; the Roman Catholic church and the Anglican church. The one person in the town of Mayo who seemed to have a sense of impending disaster was a Cheechako, a newcomer who warned people that the river was going higher. The manager of the local bank moved out the bank books and valuables and stored them in the tower of the Catholic church, and the bank furniture was the only furniture that was saved.

I hardly intended to go into all this detail to-night, but I did want to speak of it and convey a very hearty invitation to the minister to come to the Yukon and see for himself what we need. I believe the people in the Mayo district would be more than pleased if he did so and it is almost a necessity for them to have a mining engineer settle in that country for at least one year. He could help our prospectors, help the men who have the silver mines, and do a great deal of work for us.

I see it is now eleven o'clock, and with the permission of the Chair I should like to resume when this item comes up again. I thank you.

Item stands.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Tuesday, February 9, 1937

The house met at three o'clock.

CRIMINAL CODE

PROPOSED ABOLITION OF HANGING AS DEATH PENALTY—FIRST REPORT OF SPECIAL COMMITTEE CONCURRED IN

Mr. G. W. McPHEE (Yorkton) presented the first report of the special committee appointed to consider the subject matter of Bill No. 6, to amend the criminal code (death penalty), and moved that the report be concurred in.

Motion agreed to.

DIONNE QUINTUPLETS

Mr. R. W. GRAY (Lambton West) moved:

That the private bill entitled An Act for the Protection of the Dionne Quintuplets, filed with the clerk of the house on February 4, based on the petition read and received by the house on February 5, be referred to the standing committee on standing orders to ascertain the extent to which standing orders 93 (1) and 95 have been complied with.

Motion agreed to.

RAILWAY ACT AMENDMENT

PROPOSED APPLICATION OF CROWSNEST PASS RATES ON GRAIN WESTWARD AS WELL AS EASTWARD

Mr. THOMAS REID (New Westminster) moved for leave to introduce Bill No. 16, to amend the Railway Act.

Mr. BENNETT: Explain.

Mr. REID: The proposed bill is the same as that introduced last session. It asks that the freight rates on grain and mill feed, including flour, from the prairie provinces to British Columbia for use within that province shall not be higher than the rates for like mileage on grain and mill feed carried eastward from the prairie provinces. In other words, Mr. Speaker, the proposed bill asks that British Columbia be discriminated against no longer and that the Crowsnest pass rates on grains and mill feeds shall apply westward as well as eastward.

Motion agreed to and bill read the first time.

CRIMINAL CODE

PROVISION FOR AMENDMENT TO PREVENT UNNECESSARY NOISES

Mr. T. L. CHURCH (Broadview) moved for leave to introduce Bill No. 17, to amend the criminal code (noises).

He said: The purpose of the bill, Mr. Speaker, is to adopt the law of England in order to prevent unnecessary noises, which have been shown by health officers throughout this country to be most dangerous and injurious to the public health.

Motion agreed to and bill read the first time.

PRIVILEGE—MR. BENNETT

BANK OF CANADA—LEAVE OF ABSENCE TO EMPLOYEE BROOKS—NEWSPAPER REPORTS OF PROCEEDINGS OF FEBRUARY 8

On the orders of the day:

Right Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, I very much regret the necessity of mentioning again in this chamber a matter of privilege. Yesterday I made a statement, which is reported in Hansard; the right hon. Prime Minister (Mr. Mackenzie King) made a statement, which is reported in Hansard, but the Citizen and Journal of last evening, and again of this morning, contained a grossly inaccurate statement as to what took place. It is grossly inaccurate not only as to what was said by the Prime Minister but also as to what was said by myself.

I am reported to have taken advantage of the opportunity afforded by a statement made by the Minister of Finance (Mr. Dunning) to explain certain incidents in connection with my absence from the country beginning last August. The statement contains these words:

> He (Mr. Bennett) observed that Prime Minister Mackenzie King had taken a messenger from the permanent civil service on some of his journeys abroad.
>
> Mr. Mackenzie King said that in such cases he had paid personally the salary of the employee concerned.
>
> "Certainly—of course," Mr. Bennett agreed.

The record makes it clear that I spoke because of a question which was placed upon the order paper by a member of this house, and further that I referred to the fact that I might have adopted the course of taking one of the permanent messengers, as the then leader of the opposition did when he went to England in 1934. I did not pursue that course, for reasons which were good enough for me. The Prime Minister referred to the fact that the salaries of all permanent messengers were paid by the state, and that he had paid the expenses, transportation and otherwise, of the messenger he took with him. I said "certainly," but the right hon. gentleman then also pointed out the fact that the messenger of the department, the permanent messenger attached to the office of the leader of the opposition, was still drawing his salary from the state whether or not I was here, which was a correct statement.

I do deprecate having to mention these matters, but I am sure this chamber realizes that it is grossly unfair to have these statements published in the press, for which the newspapers themselves are not to blame. It does seem to me that a little care on the part of those who report the proceedings of this chamber would obviate the necessity of one having to explain what is distasteful to talk about and still more distasteful to have to refer to again.

SUPPLY

STATEMENT OF MRS. BLACK ON MOTION OF MINISTER OF FINANCE—SUGGESTED ISSUE OF SILVER DOLLARS

Hon. CHARLES A. DUNNING (Minister of Finance) moved that the house go into committee of supply.

Mrs. MARTHA LOUISE BLACK (Yukon): Mr. Speaker, in the press a few days ago I saw that the governor in council at Ottawa

had adopted a ruling that certain duties should be imposed on coronation souvenirs, and that seemed to me a correct thing for any government to do. Immediately after the recent abdication I also noticed in the press that hundreds of people in Czechoslovakia, Hungary, Roumania and other central European countries had been thrown out of work because of the cancellation of orders for coronation souvenirs.

It does seem to me that the British Empire is quite large enough to furnish its own coronation souvenirs. In England we have well-equipped factories producing most beautiful china of all kinds. In this country as well, in New Brunswick, in Alberta and in British Columbia, we have china clay that would make excellent souvenirs. But above and beyond all that, coming as I do from a mining constituency it seems to me that this would be the time for the government to consider issuing silver coronation dollars. The government could issue dollars, as the government did at the time of the jubilee ceremonies, but of course they could not force people to take the dollars. For some time the banks failed to supply to their customers the silver dollars issued at the time of the jubilee, for the obvious reason that they had to pay cartage on the silver, which amounted to a fairly substantial sum; but the situation later was rectified by an arrangement with the government. Canada is the third silver producing nation in the world, and the silver mines of Ontario, Quebec, the middle west, British Columbia and my own constituency of Yukon could very well supply the minister with the silver out of which these dollars might be made. The Minister of Finance has authority, under the revised statutes of Canada, to purchase silver and other precious metals, and I should think the government could well afford to put on the market a million silver dollars.

At the time of the jubilee about half a million silver dollars were coined, out of which I believe the government made a profit of about $300,000. For every sixty cents worth of silver which is struck off in silver coins the government clears approximately $1.15. It is not very often that a member of this house is able to rise and tell the government how to make money; rather we are all holding out both hands and saying, "give me." I should like to feel that the government, through the Minister of Finance, would be willing to authorize the striking of a million silver dollars in order to help the miners and the communities in which the silver is produced, and also because of the fact that it would be a money-making proposition. Next summer we will have thousands and thousands of tourists. All of us, men and women alike, are more or less souvenir hunters. Practically every tourist would take back a souvenir dollar, as happened in connection with the jubilee dollar. It would not be like the Aberhart money, for which some of us paid a little premium. I know I paid $1.50 for a dollar scrip, but that is scrapbook money. If, however, the government issued a silver dollar it would always, so long as government endures, buy a dollar's worth of material. After the first expense, the cost of striking copper, bronze, nickel, silver, or gold coins is not great.

In the name of the mining constituencies, and especially on behalf of the Yukon, I would ask the Prime Minister to consider the matter, and show his willingness to strike as souvenirs for Canada one million silver dollars.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I did not like to interrupt the hon. member (Mrs. Black) when she was speaking, but I am not quite sure whether she was speaking to the notice of motion which stands in her name on the order paper and which, in the ordinary course of events, would have been the first order of business to-morrow. When the hon. member began to speak I assumed she had in mind saying something on the orders of the day. However I imagine the house will grant permission to the Minister of Finance (Mr. Dunning) to answer the hon. member's questions, if he is in a position to do so. Perhaps the minister's answer will cover what the hon. member has in mind.

Mrs. BLACK: Thank you.

Hon. CHARLES A. DUNNING (Minister of Finance): Mr. Speaker, I cannot deal with the portion of the hon. member's question which relates to souvenirs. I believe my colleague, the Minister of National Revenue (Mr. Ilsley) could give information as to what is to be done in that regard.

Mr. BENNETT: The hon. member indicated that the matter of souvenirs is only incidental.

Mr. DUNNING: But with regard to the main question, namely that regarding coinage, may I say that the government found itself in some difficulty. At the time of the abdication of the former king certain steps had been taken and certain approval given with respect to the image of the king which was to appear on our new coins. None of the new coins had been issued because in fact dies had not been received from London, where their final

preparation was undertaken. It was necessary therefore to begin all over again, and only recently has the necessary approval been received with respect to the image of the head of King George VI which is to appear on all Canadian coins minted in the future. There is some doubt as to whether we will receive the dies in time to have the issue of any new coins in circulation by coronation time. Every effort is being made to bring that about, but under the circumstances no arrangement has been made for the coinage of any special coins.

I believe I am in a position to give some information regarding silver dollars. Up to the present time we have issued 743,720 silver dollars. Of course, as required, the minting of the King George V coins is proceeding until such time as King George VI coins can be minted. A reserve supply of these silver dollars is kept available at all offices of the Bank of Canada throughout the dominion, and the chartered banks therefore can secure conveniently from the provincial headquarters of the Bank of Canada a supply of these dollars in order to meet the public demand for them. There is a substantial demand in the parts of Canada which are interested in the production of silver, but generally speaking, in the other parts, the demand appears to be moderate and mainly for souvenir purposes. I believe that is all I can usefully say in the matter.

I do not believe that at this stage it would be practicable to attempt to evolve a special jubilee dollar, nor would it have been possible in the time at our disposal before the coronation of King George VI to secure the dies necessary for a special dollar. Of course it would differ in some respects from the ordinary one. May I explain to the hon. member that the side on which the king's head does not appear is not changed as the result of a change in the person of the monarch. The only change would be on the side on which the monarch's head appears.

In order to issue a souvenir dollar in time for the coronation we would require a die with a completely different obverse side. I believe the hon. member will readily understand that in the manufacture of dies for coins we cannot complete the finishing process in Canada. As other parts of the empire have their work done in London, the house will realize that at this time there is a heavy strain upon the facilities there available.

Mr. THOMAS REID (New Westminster): Mr. Speaker, it had been my intention to speak to this subject when the notice of motion should come before the house to-morrow. I speak now, however, because, although I am not as conversant with the rules of the house as many hon. members may be, I am afraid in view of the observations to-day of the hon. member for Yukon (Mrs. Black) there will be no opportunity to-morrow to speak to this matter. Personally I should have liked to see a full dress debate on this important matter and in support of silver.

As an advocate for the past six or seven years of the use of silver, I feel it incumbent upon me to support the hon. member for Yukon in the suggestion she has made. May I point out to her, however, that if it is her object only to popularize the silver dollar it might be as well to place on one side the image of the Duke of Windsor and on the other that of Mrs. Simpson. If that is the hon. member's only object, may I observe that the mere issuing of one million silver dollars will do very little to popularize the greater use of silver, as such, in Canada.

I should like to see the Minister of Finance (Mr. Dunning) seriously consider taking over all silver in Canada, and issuing silver certificates. Such action would do much for Canada. Not only would it provide employment for many thousands of our citizens, but it would also put currency in circulation at no cost to the government. It is not my intention to delay the house on this occasion, upon going into supply, because possibly I may have more to say at another time. I feel it my duty, however, to join in urging that serious consideration be given to the issuing of silver coinage, including silver dollars, to a greater extent than has been done.

It is true, as the Minister of Finance has pointed out, that over 743,000 silver dollars have already been issued, but as they can be produced at the rate of 20,000 per day with the present equipment at the Mint, only about fifty days would be required to issue a million.

It is true that perhaps silver dollars are not as popular as they were in days gone by, but in view of the fact that the government is making seventy per cent profit there is no reason why another machine should not be purchased to run at full blast. This would not in any way injure the credit of Canada. Hon. members who bewailed the fact that such procedure might injure our credit need only look at what has happened across the boundary line. Would any person say that to-day the American dollar is worth less than the Canadian, or that the credit of the United States is not as good as that of Canada? Yet during the past two or three years that country has purchased over one billion ounces of silver, and paid for it by issuing silver certificates. That could be

done in Canada, if we had only the intestinal fortitude as against the bankers, if I may use the term, to go ahead and do it. That could be done, despite what they tell us.

I am not unmindful of the cry against any inflation in Canada. Germany is usually pointed out as the horrible example. I am not advocating that we should repudiate everything, but I will say that the credit of Germany is just as good to-day as that of any other country, because it would appear that Great Britain is only too willing to lend money to that country. There is nothing very serious in that argument.

However, I shall leave any further observations in this connection until later. As I say, I join with the hon. member for Yukon in the suggestion she has made, but I am sorry the discussion has taken place on such short notice. I should have liked to see the resolution discussed in the regular manner when called on Wednesday, but, speaking as a comparatively new member, may I say that one never can tell what will take place in this chamber.

Right Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, on frequent occasions I have endeavoured to ascertain why fifty cent and one dollar silver coins circulate so little in Canada. In England the half crown is greatly in circulation, and our silver dollar, at least the last one minted, is not so large a coin. I may say that I have never recived one of these dollars over the counter as change since they were first issued. The difficulty is not, as suggested by the hon. member for New Westminster (Mr. Reid), the unwillingness of the country to coin them; it is the unwillingness of the people to use them. I rise only to ask the minister if there is not some method by which we could popularize the use of these coins. The fact is that people will not and do not circulate them. Could the minister say how many of the 743,000 silver dollars which were issued are now in circulation, as against those in the custody of the receiver general?

Mr. DUNNING: I cannot give an exact figure. We endeavour to adjust the supply to the demand, holding merely a reserve sufficient to enable us to supply what experience indicates the demand to be. I think most of them will be found to be in circulation.

Mr. DANIEL McIVOR (Fort William): Mr. Speaker, the suggestion was made by the hon. member for New Westminster (Mr. Reid) that the heads of the present and former kings should be placed on these dollars. I do not think anyone could take the place of Queen Elizabeth. King George and Queen Elizabeth are equal and no one could take the queen's place. It would be less popular to have the present king and the former king on these coins.

Mr. REID: Mr. Speaker, I rise to a point of order. My remarks have been misrepresented by the hon. gentleman who has just sat down (Mr. McIvor). What I said was that if it was merely a matter of endeavouring to popularize the silver dollars, that would be the best way to do it. I did not suggest that the two names should appear on the coins.

Mr. E. J. POOLE (Red Deer): Mr. Speaker, I did not intend to discuss this matter, but I should like to make just one observation in passing. It must be a source of encouragement to hon. members of this group to see members in the government ranks agreeing with the social crediters as to the issuing of new money.

Motion agreed to and the house went into committee of supply, Mr. Sanderson in the chair.

OFFICE OF THE SECRETARY TO THE GOVERNOR GENERAL

Salaries, $31,240.50; contingencies, including allowance of $2,500 per annum to the secretary to the Governor General, $69,500.

Mr. MACKENZIE KING: This amount for the Governor General's office is the same as in previous years. The increase shown is brought about by the statutory increases.

Item agreed to.

EXTERNAL AFFAIRS

Civil Government—
Salaries, $104,051.
Contingencies, $69,500.

Mr. MACKENZIE KING: There is an increase of $2,000 in the salary of the Under Secretary of State for External Affairs. The rest of the increase is accounted for by the statutory increases.

Mr. BENNETT: As one who has occupied the office I think it is only fair to say that I believe that everyone who knows the character and the extent of the duties discharged by Mr. Skelton will join with me in congratulating the first minister upon providing for an increase of $2,000 in his salary.

Item agreed to.

OFFICE OF THE PRIME MINISTER

Salaries, including appointment of A. Tunwell as a clerk, grade three, at $1,620, $42,487.

Mr. BENNETT: Perhaps the Prime Minister will explain the appointment in this manner of a clerk, grade three. This is a matter to which attention always used to be directed and I am curious to know why it is done in this case.

Mr. MACKENZIE KING: As my right hon. friend is aware, there are a large number of clerks in the service who have been serving year after year as temporaries. The clerk mentioned here has been in the service in one capacity or another during the last fifteen years. As he has personal responsibilities of his own to meet and performs necessary duties it was thought advisable to have him made permanent.

Mr. BENNETT: The objection which has been taken in this house during the last five years to this course of action is that it sets at naught the provisions of the Civil Service Act, and provides for a salary based upon the exercise of arbitrary discretion. I agree with the Prime Minister that there are occasions on which it should be done, and it has been done, quite properly in my judgment. I only point out that it comes within that category of cases about which in days long since past we used to hear quite frequently.

Mr. MACKENZIE KING: I think the point has been well raised. It does seem to me that there is a good deal of injustice being done to a large number of persons in the public service who are kept on as temporaries from year to year and who have no guarantee as to the permanency of their positions. I believe the whole situation ought to be reviewed at the proper time.

Item agreed to.

London.—Salaries and expenses of the office of the High Commissioner for Canada, including $1,900 additional salary for the high commissioner to that authorized by chapter 15, R.S.C., $137,000.

Mr. BENNETT: May I suggest to the Prime Minister that it is undesirable to modify a statute by an item in the estimates rather than by amendment of the act itself, in order to increase the salary of the high commissioner. While I am not going to quarrel with the excellent reasons that will be given for increasing the salary, I do suggest it would be far more desirable from every point of view that we amend the appropriate act that deals with the matter. If the Prime Minister's attention had been directed to it I think he would have agreed with me that when you are dealing with a statute which itself provides for the compensation to be paid to the officer named in the statute, the proper course to pursue, if it is desired to increase the salary, is to amend the act by deleting the words "twelve thousand" and substituting therefor the words "fourteen thousand." But what has been done here is to add to the salary $2,000 less five per cent, which means $1,900. I can only voice my objection against the practice in the strongest possible terms and have it go on the record of this house, because it constitutes a precedent that I think is very dangerous, and what is more, very undesirable. The statute itself should always indicate the compensation that attaches to the office.

Beyond that, I think the Prime Minister should give us some explanation of the increase, as I am sure he will; because certainly it would be difficult to justify the increase in view of the criticisms that were made in the past with respect to the cost of administration of the office.

Mr. MACKENZIE KING: The point raised by my right hon. friend is a good one, but may I say that his criticism is rather of himself than of the present administration, because what has been done in the present estimates is simply to carry forward the item in the form in which it appeared during years my right hon. friend was in office.

Mr. BENNETT: I think not.

Mr. MACKENZIE KING: Yes, I think so.

Mr. BENNETT: I amended it one year, to my certain knowledge.

Mr. LAWSON: Two wrongs never make a right, anyway.

Mr. MACKENZIE KING: An increase was made in the salary during the time Mr. Ferguson was high commissioner, I think, and the item in this particular simply carries forward what appeared in the estimates before. That I think answers one point of my right hon. friend.

As to the extra amount required, there has been a good deal of additional work thrown on the high commissioner's office of late. This past year the pilgrimage to Vimy had to be in large part managed through the London and Paris offices combined. There was a great deal of work thrown on the office when the pilgrims were in London. This year the coronation ceremony and the preparation for the imperial conference, which will come immediately after, will also involve a great deal of

additional work. Then, too, the Quebec government and the Ontario government have withdrawn their offices in London and Paris, occasioning a largely increased number of inquiries to be directed to the high commissioner's office with respect to many matters. A number of questions have also come up which have required additional stenographic assistance in the high commissioner's office, matters which the house will probably find referred to in the report. I think that covers all that was asked.

Mr. WOODSWORTH: As one who has had nothing to do in the past with the method of fixing these salaries, it seems to me that the leader of the opposition is quite right in saying that if there is an act, the proper method of increasing the salary is to amend the act instead of putting in the estimates an item such as this. We are left completely at sea if we pass a statute and then disregard its terms. Whether or not the leader of the opposition, when he was responsible for the administration, did the same thing is quite aside from the question. It seems to me the statute ought to rule in such matters, and I oppose very decidedly this method of proceeding. I see a little bit further on in the estimates another example of what is getting to be very common, a vote "notwithstanding anything to the contrary in the Civil Service Act or any of its amendments." We are simply driving holes through our statutes.

Mr. LAWSON: Are the details of this $125,000 of expenses shown anywhere?

Mr. MACKENZIE KING: My hon. friend will find in the auditor general's report pretty full details of the expenditures.

Mr. LAWSON: But the difficulty is that the auditor general's report deals only with expenditures up to March 31, 1936. We are now almost one year past that, and are being asked to vote money for the year that is to come.

Mr. MACKENZIE KING: I cannot tell my hon. friend what the expenditures will be for the coming year, but I can give him the particulars of current expenditure which I have here.

Mr. LAWSON: The information is available with respect to other departments.

Mr. MACKENZIE KING: I can give my hon. friend general figures showing how the total is made up for nine months, April to December, 1936. The salary of the high commissioner is $12,000 a year, and staff salaries for nine months, $50,000. The other details are as follows: Allowances, high commissioner and secretaries, $25,874.91; travel, $1,630.08; motor expenses, $1,372.60; telegraph and telephone, $4,852.33; postage, $1,462.64; printing and stationery, $2,538.09; newspapers, $938.12; sundries, $2,642.26; petty cash, $985.48; extra typewriting services, $2,232.46; removal, Mr. Massey, $2,157.75; removal, Mr. Ferguson, $1,010.12; and an amount in suspense of $970.60.

Mr. LAWSON: Is the item of $25,000 for salaries for secretaries?

Mr. MACKENZIE KING: Allowances for high commissioner and secretaries.

Mr. LAWSON: It goes to them?

Mr. BENNETT: Is there not an allowance of $40,000 also?

Mr. MACKENZIE KING: High commissioner, $12,000 salary and $28,000 allowances.

Mr. WOODSWORTH: I think we should have a statement from the Prime Minister as to why we should disregard the statute. The Prime Minister did not answer that, but went off on another track and suggested that the expenses were very heavy. That does not answer the point at all.

Mr. MACKENZIE KING: I must beg my hon. friend's pardon if he thinks I in any way tried to evade answering the question. I thought I did state that the estimates in the particular mentioned were no different this year from what they had been during the time my right hon. friend was in office, and the only reason the statute has not been amended is that we have simply followed the procedure that was adopted in the past. I agree with my hon. friends that usually it would be better to amend the statute. That can be done another year if the house thinks it advisable, but I can assure my hon. friend that there was no intention in any way to adopt a different method from that which had been pursued before.

Mr. WOODSWORTH: May we have the assurance of the Prime Minister that the statute will be amended another year?

Mr. MACKENZIE KING: I shall be glad to see that the matter is considered between now and next year, yes.

Mr. BENNETT: The Prime Minister is quite right in saying that the form in which this additional compensation is provided for in the estimates is as it was done in previous years. I certainly remember having dealt with it once, but as I recollect, the answer given to me was that it was in the nature of a temporary arrangement, and that there

was a reduction of ten per cent in the amount, making it $1,800 one year, and this year it is $1,900; $2,000 has been paid in addition to the $12,000, I surmise, over the last ten or twelve years. My view was and is that it would be desirable to change that figure of $12,000 into some more appropriate amount, much more than $14,000. It is idle to suggest that the salary of the high commissioner should be twelve or fourteen thousand dollars, and then in lieu of salary vote other amounts. We have been doing it consistently, one administration following another, for the last twenty-five years, but the allowance has been increased as the years have gone by. But just why $2,000 was added to the salary and then $28,000 added by way of allowances I have never been able to make out. The practice is not new; it has been followed in the last five years excepting as to variation of the figures; indeed it has been done for a long time. It is one of the matters that engaged the attention of the right hon. gentleman's predecessor, as to whether we should not provide a salary in the High Commissioners Act that bears some relation to the responsibilities which devolve upon the high commissioner and the duties he discharges. It seems a nonsensical thing to provide $25,000 for secretaries and services of that kind for which account is given, and $28,000 for personal allowances, the whole of which is used for the purposes of his office, and then provides that the salary, which is $12,000, shall be increased by $2,000 less five or ten per cent. I think the whole matter should be put on a proper basis. I recall that on one occasion the explanation given to me was that it was because of the temporary character of the $2,000 item. The Prime Minister was quite correct in saying that it was carried in the same manner in the previous estimates.

Mr. MACKENZIE KING: With respect to all these positions in the diplomatic service I might point out that the service is a new one, and it is difficult to anticipate within the course of a few years what the necessities of these different offices may be. I think it was felt by the previous administration, as it has been by the present, that we ought, if possible, to review the whole situation and arrange not for salaries only but also for pensions, allowances, etc., so that the diplomatic service may be duly regularized. There has not been up to the present the opportunity to effect this. I hope that it will be possible to accomplish it within the next few years.

Mr. LEADER: I hope I am not presumptuously criticizing the estimates of the Prime Minister when I say that to my mind our expenditures in connection with our offices overseas and in the United States have been growing at an alarming rate. Last year in this house I criticized the increase under the late administration in the cost of upkeep of Canada House. To-day I find myself in a peculiar position, supporting a government for whom I have a great deal of respect, but which is increasing the estimates for this very same institution. With regard to the salary that our high commissioner enjoys in London, it is difficult to know just how much he gets. I think the salary is actually about $14,000 a year, and on top of that he gets an allowance of $28,000, which means that he receives a salary of over $40,000 a year.

Mr. BENNETT: That is right.

Mr. LEADER: And if I understand aright, this estimate provides an additional salary of $1,900.

Mr. BENNETT: That is part of the $14,000.

Mr. LEADER: At that rate he is getting $42,000 a year. I listened to the Prime Minister as he read the different items of expense, but I did not hear him read the item to which I am about to refer, and which to me would be ridiculous if it was not an imposition on the taxpayers of this country. In the auditor general's report you will find that the Canadian taxpayers are asked to pay a dog tax of $2.25 to the high commissioner in London. Looking a little further one finds that we are paying $28 for dog tax to our ambassador at Washington.

Mr. LAWSON: The question is, who is the dog.

Mr. LEADER: To me it seems ridiculous.

Mr. MACKENZIE KING: May I at once correct my hon. friend? The dog tax that is being paid for by the government is not for any official of the Canadian government. In the case he mentioned it was a tax which was paid for the High Commissioner of Great Britain who is resident in Ottawa. I believe there are also dog taxes paid for some of the ministers of other legations. That is done because of a custom that exists as respects the diplomatic service generally whereby local taxation is borne by the government of the country to which a minister may be accredited. That explains the dog tax item.

Mr. LEADER: I thank the Prime Minister for his explanation, but I still think the taxpayers of this country should not be called upon to pay a dog tax for anyone.

Mr. BENNETT: I am pleased that the Prime Minister made the statement to which we have just listened, because I remember being asked a similar question. The truth is that the government is paying taxes of all kinds in the city of Ottawa that are imposed against the offices held by the representatives of foreign governments in this city. I was shocked when I first heard about the dog tax—I daresay the Prime Minister had the same feeling—and I found that it is not an item that goes before officials as a matter of detail; all the taxes that are paid to local authorities are lumped, and the cheque issued accordingly, whether it be for one dog or two, or a dog and a pup. Payment is made of the amount of taxes that is exacted by local authorities. That is a matter of custom, just as France pays our taxes in Paris, just as our high commissioner's office taxes in London are borne by the British government.

Mr. MACKENZIE KING: May I say a further word to the hon. member who has raised a question concerning allowances. In the matter of diplomatic representation abroad the government is necessarily obliged to take account of what is done by other countries. Canada cannot afford to have her representative go to London and live or have an office on a back street, while Australia and South Africa and New Zealand and other parts of the British Empire have the best of accommodation for their high commissioners. Also my hon. friend must know that in London the expenses of living in certain parts of the city are very much greater than they are, for example, in Ottawa or other cities in Canada. All these factors have to be taken into account. It may be unfortunate that this is so, but I feel sure that if the hon. member would make a comparison of the costs he would find that Canada's expenditure on her representative institutions abroad are very much within the mark of what is being paid out by most other countries.

Mr. WOODSWORTH: I wish to question that statement of the Prime Minister. Canada House is located in the very heart of London, in one of the most expensive sites imaginable. That involves of necessity a very heavy expenditure. Several years ago I happened to visit Tokyo, and I found there again that the Canadian legation was one of the most expensive in that city. We are a small country. As a matter of fact that legation was built without the knowledge of this house. It was done under a former administration; apparently the administration was afraid to bring the matter before the house; the whole of the very heavy expenditure was authorized by order in council, and thus we as members of the house knew nothing about it formally until the building was erected, and then we were required to refund the money that had been borrowed privately. I object to that way of doing business. It is not the proper way. In my judgment there is no necessity for such a costly establishment, as we have at Tokyo, although we had as the then minister a delightful man, but of expensive tastes, who wanted to be second to none in Tokyo. Once you have your legation established on the grand scale there is no end to the expenditure involved. I do not want to be regarded as a demagogue, but tens of thousands of our people are living on the very narrowest margin; tens of thousands are unemployed, and others, middle class people, are doing their best to educate their children and can hardly make ends meet. It seems to me there is nothing humiliating in the representatives of Canada living on a little more moderate scale, representing as they do a country which in population is not a great country, one which of course wants to maintain its self-respect but at the same time should seek first to do its very best for its own citizens. I do not want to single out any one particular item, but rather to offer a general criticism. As representing in a special way the poorer classes of people of this country, I protest against the steadily increasing expenditure we are asked to vote for official and ceremonial affairs.

Mr. MACKENZIE KING: First with respect to the London building, I submit that the offices which Canada has there are really unpretentious as compared, for instance, with what Australia and South Africa have.

Mr. WOODSWORTH: I spoke of the site.

Mr. MACKENZIE KING: Yes, but may I say that no better investment could be made for Canada than to have a building on that site. It is not money wasted; it is part of the permanent property of this dominion, and as long as Trafalgar square remains the centre not only of London but one might say of the British Empire, that property will go on increasing in value. From that point of view it is a thoroughly good investment. I submit that, abroad and in foreign countries, it is all-important that a country should keep up appearances, if I may use that expression.

Mr. WOODSWORTH: Keep up with the Joneses.

Mr. MACKENZIE KING: No, not keep up with the Joneses, but at least keep up appearances. I ask my hon. friend quite frankly whether he would be content to have Canada still represented on Victoria street as it was years ago, with Australia, South Africa and other parts of the empire represented as they are in London at the present time. I am sure he would not.

With regard to the building in Tokyo, my recollection is that the former prime minister made a statement to the house with regard to that matter when the estimates were before the committee—in fact I questioned him on it myself.

Mr. WOODSWORTH: The building was erected before the estimates were brought down.

Mr. BENNETT: No, no.

Mr. WOODSWORTH: I tried in vain to get a copy of the order in council.

Mr. BENNETT: That is not accurate, Mr. Chairman. All the hon. gentleman had to do was to move for it and get it. He got it without moving for it.

Mr. WOODSWORTH: It was not brought down before the close of the session.

Mr. MACKENZIE KING: With respect to the building in Tokyo may I say that it was obtained for the government of Canada at a remarkably moderate cost for the style of building that it is. I question very much whether it could be built to-day for double the amount that was paid at the time. I understand that the reason the previous administration proceeded with the construction at that particular time was because conditions were so favourable for construction then. If Canada is to have legations abroad it is necessary that we have suitable buildings in which to house ministers and to carry on the business of the legations. Is it not advisable, therefore, to secure the right kinds of buildings to begin with, and is there any economy in postponing the making of the necessary arrangements? One has only to look about this city to see what the governments of other countries are beginning to do with respect to their legation buildings and the housing of their representatives here. Can we afford to make less adequate provision in their capitals for our own officials?

Mr. BENNETT: I was interested in this matter because of discussions which have taken place in this house from time to time, especially the observation made on more than one occasion that we pay more than other countries do. I hold in my hand the estimates voted by the parliament at Canberra, Australia, a few weeks ago for the period ending June 30, 1937. Here are the particulars for the high commissioner's office:

Salaries and allowances as per schedule	£23,610
Extra duty pay	200
Temporary and casual employees	50
Salaries of officers on retirement leave and payments in lieu	100
	£23,960
General expenses:	
Travelling and subsistence	£1,000
Office requisites and equipment, stationery and printing	750
Postage, telegrams and telephone services	2,000
Freight and carriage, including removal expenses	65
Cablegrams	2,500
Municipal and other taxes	7,250
General upkeep of Australia House	10,800
Upkeep of official residence	625
Allowance to High Commissioner for expenses of official residence	1,950
Other incidental expenses	780
	£27,720
Total of the two	£51,680

On the basis of a four dollar pound that is something over $200,000, and we are voting $137,000. There are the figures of the estimates which have passed the Australian parliament. I wonder why the hon. gentleman persists in making statements of that kind.

Mr. WOODSWORTH: Mr. Chairman, I do not think the right hon. gentleman wants to misrepresent what I say—

Some hon. MEMBERS: Order.

The CHAIRMAN: On a point of order.

Mr. WOODSWORTH: I did not say that our expenditures are higher than those of other dominions. What I did say is that they are higher than are warranted by the state of this country.

Mr. BENNETT: Well Mr. Chairman, I have a fair memory of what I have recently heard. I heard what the Prime Minister said and I heard also what the hon. member for Winnipeg North Centre said. He wondered why the Prime Minister had made the statement that the cost of maintaining our offices was less than that of other countries, and he wondered what he would say if he looked into the cost of the offices maintained by other dominions in London, and

he referred to South Africa and Australia. Remembering these estimates, recently passed, I sent for them and I gave them to the committee.

As far as Tokyo is concerned I cannot think the hon. gentleman would deliberately misrepresent it, but certainly he succeeded in doing so, whether by inadvertence or deliberation is a matter that he himself must determine. I will give him the benefit of the doubt and assume he did it inadvertently and not deliberately. The fact is it was made known by a statement in this house that the then minister at Tokyo was prepared to advance money for the purpose of constructing the building at that time because conditions made it possible to purchase the land and erect the building at a cost so much less than it was believed it would be later, in view of the trend of prices, that we should not lose the opportunity. I am bound to say it was a departure from ordinary practice and procedure, and I am bound to say also that we did not have the money at that time. The Minister of Finance said he could not find the money at that moment, but the minister was prepared to provide the money and he did so. The site was acquired; this house was made aware of the fact. The plans were approved; this house was made aware of the fact. The building was completed; this house was made aware of the fact, and, what is more, this house voted the money to repay the cost of the building before the late government went out of office. It is in the estimates. Therefore there was nothing done secretly or evasively, and the fact that a statement was made was all that was necessary, as far as the order in council was concerned. I cannot think the hon. gentleman strove very hard to get the order in council, because there was nothing to keep back about it. It was an open and aboveboard transaction.

Mr. WOODSWORTH: When was the house apprised of the plan to erect a building?

Mr. BENNETT: Before the building was started at all, right here in this chamber, if the hon. gentleman will take the trouble to look it up. What is more, before the late administration went out of office we were able to provide the necessary money to enable parliament—not the government, but parliament—to vote an amount covering the cost of that building, and parliament did so. If my memory serves me aright it was thought to be a good bargain, and I was pleased to hear the Prime Minister say that it has turned out so satisfactorily. The last time I saw the minister he told me the work could be done to-day only for a very much larger sum than it cost at that time, and certainly those with whom I have come in contact tell me that we have one of the most favourable and desirable sites that could be obtained. And of course it will be within the knowledge of this house that under international arrangements the taxation is borne not by Canada but by Japan. As far as we are concerned we have a building and a site upon which taxes accruing in Tokyo are paid by the Japanese government, and it was acquired at a price that I believe was not much more than half the present value of the property.

Mr. WOODSWORTH: Before I could accept the statement of the leader of the opposition, Mr. Chairman, I would require to have some definite reference to Hansard to show that the proposal to erect a building was brought before this house; that the plans were approved by the house—

Mr. BENNETT: Not by the house; I did not suggest that they were.

Mr. WOODSWORTH: How were they approved, by order in council?

Mr. BENNETT: They were approved by the government. Did the hon. member ever hear of plans being approved by the house?

Mr. WOODSWORTH: I thought the right hon. gentleman said they had been approved by the house. My statement was that the house knew nothing about the matter until the building was erected, and then the estimates contained an item to cover the cost of refunding the loan which had been advanced privately to construct this building. I know the building was erected at a very low cost. Advantage was taken of the depreciated yen. I know it is a beautiful building; I am not suggesting that it is not. My point was this: I objected to a private individual lending money for the erection of a building, the whole thing being done simply by order in council without this house being consulted. I do not think that is the right way for this country to make expenditures. My second point was that it seems to me that these buildings, these great establishments in the hearts of these big cities, beautiful as they are, are more elaborate than they need be. That was my statement, and I see nothing whatever to retract. I feel that with Canada still a comparatively small country there is no need for us to try to equal or outshine some of the legations of the great nations in Tokyo.

Item agreed to.

Washington—Representation, including salaries and allowances for minister plenipotentiary, secretaries and staff, notwithstanding anything to the contrary in the Civil Service Act, or any of its amendments, $100,000.

Mr. DOUGLAS: Could the Prime Minister give us an itemized statement of the proposed expenditure?

Mr. MACKENZIE KING: Yes. This is the same amount that was voted last year. The expenditure in 1936-37 was considerably less than that of the previous year, largely because of the fact that during part of the time the office of minister was not filled. The items are as follows from April 1 to December 31, 1936:

Salaries—Minister and staff, $27,420.37.
Allowances—Minister and staff, $18,683.89.
Travel, $507.95.
Telephone and telegraph, $1,242.09.
Printing and stationery, $362.12.
Newspapers, $738.87.
Fuel, light and office keeping, $1,084.09.
Postage, $150.
Residence furnishings, $468.10.
Office furnishings, $775.12.
Legation maintenance, $3,032.70.
Sundries, $398.91.

That makes a total of $54,864.21 for the nine months, April to December. I cannot give the details beyond that date.

Item agreed to.

Tokyo—Representation, including salaries and allowances for minister plenipotentiary, secretaries and staff, notwithstanding anything to the contrary in the Civil Service Act, or any of its amendments, $68,000.

Mr. CHURCH: I should like to say a word with regard to this item. If the Co-operative Commonwealth Federation continue in their present ways, and if we are to open up embassies the world over, I would nominate the hon. gentleman who spoke to-day to occupy one of them. A year or two ago it was proposed to open still another embassy. I do not represent the opposition; I am a private member of parliament. There is a very considerable body of public thought in this country that does not agree with the extension of these useless embassies and separatism the world over. It was very fortunate that we did not open an office in Italy, since we challenged Italy with such disastrous results that the Minister of Justice had to rise in his place and disclaim our responsibility for sanctions. And then we have been doing nothing but offer moral lectures to Japan, with equally disastrous results to the British Empire in the Pacific.

[Mr. Woodsworth.]

The other day, Mr. Chairman, I was reading a long article in a leading English magazine, the English Review, which devotes more space to foreign affairs than any other publication within my knowledge, in which reference was made to the fact that the British people do not understand the situation as far as Japan is concerned, because the papers have suppressed much of what should have been printed. The article stated that there is a large body of public opinion in Japan looking to the next war; that to-day the young people in the universities, the professors, the artisans and the tradesmen are talking of the coming war on the Pacific with the American people. I think it would be well for Canada to take notice of the handwriting on the wall, and have no more of this separatism.

I hope Tokyo will be the last legation to be opened by this country. We have trade commissioners, all that are necessary, in these various cities throughout the world, and it appears to me that this division in our empire, to which I referred the other day, has progressed to such an extent that to-day the British Empire cannot act as a unit in time of trouble like France and other countries, because of separatism in the dominions so fatal in peace, and in war it would be most disastrous for us to have separatism. In Canada we are holding a great heritage in trust for the British people. I speak only as a private member, and not as one belonging to any particular political party. May I say that there is a large body of sensible public thought in Canada which is very much alarmed at the division taking place in our empire to-day among the dominions in empire matters. Only recently the French Prime Minister said to one of our foreign ministers that to-day Great Britain cannot deal properly with a foreign country because she cannot act as a unit. I believe that statement is correct; it was borne out in the matter of sanctions against Italy. South Africa would not act because she was interested in the sale of horses to Ethiopia. Canada agreed to sanctions, and then, in a most lamentable fashion, backed out because we have no army and no fleet to protect our shores. Mussolini had only to come west and sail up the St. Lawrence rather than go south. We might have had a rude awakening if he had landed. As a British subject, both in and out of the house I shall protest against opening up throughout the world any more of these useless embassies. It was proposed to appoint one to Rome and open an embassy in that city.

A few days ago I saw a map of the world, which I believe was published by one of the departments. On that map were little red patches indicating the members of the British Empire. One was struck by the way in which they were distributed, with the inscription, "the Empire on which the sun never sets." The principle of dividing British peoples in peace and war is most disastrous. We were fortunate that at the time of the constitutional crisis the empire acted as a unit; that may not happen again. The Prime Minister did well, and showed wisdom and judgment. Canada's part in the crisis was to do nothing, but to do it well. I suggest that if we were to do nothing about the embassies the world over it would be much better for the future of the British Empire. I know many people are becoming very much alarmed as to the future of the empire, and undoubtedly in the future it will have to act as a unit. We are occupying the greatest heritage in the world. Before God to-day Great Britain stands as trustee for the peace of the world. Why, then, should not hon. members sitting to my left, who are devoting their attention to ambassadorial and foreign affairs, devote the same time to a discussion of domestic affairs, especially in view of the suffering which prevails throughout Canada. I believe we should send them overseas to try to pacify Europe. The leader of the Cooperative Commonwealth Federation would be a most eloquent representative in Rome, where it was once proposed an embassy should be set up. The hon. member for Weyburn (Mr. Douglas) could be sent to visit our friend Hitler to see if we could not get a little better results from our relations with that country.

So far as I am concerned I am opposed to setting up more embassies. Had I been in the house when the system was begun there would have been one member at least, out of the two hundred and forty-five, who would have voted against it. Sooner or later I believe they will bring about the dismemberment of the British Empire.

We can now make our own treaties. We have a seat in League of Nations discussions. Hon. members to my left, however, seem to have abandoned the league in favour of the star-spangled-banner policy of pan-Americanism at Washington. They seem to rely on that and the Monroe doctrine as protection for Canada in time of trouble now and not the league. Let me tell them that if that is what they depend upon for protection they would be very sorry for not having seen the handwriting on the wall if the enemy were to sail up the St. Lawrence. Not only is there a possibility but, in view of the condition of affairs there is a probability of attack. I am not prepared to say who is responsible for this separatist policy, but I can say that a great body of public opinion in Canada, a British country, do not believe in it.

I do not believe in the procedure of setting up ambassadors throughout the world, and I have not believed in it since I have been a member. We know they are supposed to look after trade matters. Under the Statute of Westminster we are a separate country and make our separate treaties. Only invisible ties bind us to the motherland. We are as independent under the Statute of Westminster as Spain or Ireland, and I repeat that if the present policy is carried to its logical conclusion it will most certainly lead to the dismemberment of the empire.

In connection with the trouble with Italy Canada announced as an independent nation that she would apply sanctions. In my constituency I have three or four hundred first-class Canadians who wanted to know what it meant. "Does it mean that Canada is opposed to Italy?" The same question was asked candidates throughout the country during the last election campaign. So far as I am concerned if I have the honour to sit in the house any longer—and I do not care whether I do or not—I shall consistently oppose these votes for useless ambassadors who wear three-cornered cocked hats and go among foreign peoples representing Canada, a nation with no army, no navy and no air force to protect its shores but that of the motherland for its defence.

Instead of leaning on the Monroe doctrine let us seek something more substantial. May I tell hon. members to my left that in the late war, without the protection of the British fleet the American government could not have transported a soldier. That is how much independence we may expect in the future, if we depend on that country.

I believe the work in Tokyo could be done just as well by a trade commissioner and that the embassy might as well be closed up. It is fortunate that we did not open an embassy in Spain or Italy, because had we had one in Spain it might have been lost. We might have had to send Canada's ignoble and vainglorious navy over there to protect us. The people of Ontario do not believe in the policy of establishing embassies, and they are definitely opposed to the doctrine of separatism, because, sooner or later, it will mean dismemberment of the empire.

Mr. REID: I was going to suggest that the Prime Minister give some consideration to the appointment of a permanent trade commissioner or ambassador to China. When one realizes what is taking place politically and economically in that country one readily realizes its trade possibilities. May I draw the attention of the committee to the fact that in 1926 we did a trade with China valued at $27,000,000, which in 1935 had dropped to just under $8,000,000. As a matter of fact the trade with Japan in 1935 was less than our trade with China in 1926. I would urge that the Prime Minister look into the matter of appointing a permanent official to China, distinct from the Tokyo embassy. As is well known, the two races are entirely separate, and no one commissioner from Canada could hope successfully to represent Canada in both Japan and China.

Mr. MACKENZIE KING: When the hon. member spoke about a trade commissioner I believe he must have been referring to a minister. As a matter of fact at present there are trade commissioners at Hong Kong and Shanghai. However, the question of appointing a minister to China is one which will have to be carefully considered, and I trust it may be. Beyond that, I cannot give the hon. member any assurance at the moment.

Mr. BENNETT: I find it very disagreeable to say what I have to say, but I do not think it is fair to Canada to be represented as we are at Tokyo. It puts us in an extremely humiliating position. I say this in the best of good feeling, but I must say it. I do not think it is right to send to represent this country a person whose sight is gone and who finds it difficult to get about. In saying this I know I repeat the views of thousands of people who have business there and who feel that something should be done about it.

Mr. MACKENZIE KING: I am sure my right hon. friend found it very distasteful to say what he has just said and I know he is only fulfilling what he believes to be his duty when he raises the point he does. In taking exception to the fact that the minister at Tokyo has found difficulty with his sight, I would recall to my right hon. friend's mind the well-known instance of Fawcett who held the office of Postmaster General in London during years in which he was totally blind. The fact that the Hon. Mr. Bruce was able to fill the position of lieutenant governor of British Columbia for many years, notwithstanding the infirmity of sight from which he suffered, is a very good indication that he is not unduly handicapped in that regard.

[Mr. Church.]

It so happens that very few men in Canada have a knowledge of conditions in British Columbia comparable to that enjoyed by Mr. Bruce. Many of the questions that come up as between Japan and Canada relate more particularly to that province. I may say that it is a very difficult business to secure a person for any of these positions who combines all the qualities needed. Notwithstanding what has been said as to the expenditures being made by this country on legations, they do not begin to meet what is necessary on the part of whoever holds the office of minister. At the present time those who are representing Canada abroad, either in England as high commissioner or in other countries as ministers, without exception have had to draw upon their own private means in order to supplement the allowances made by this country. At the time of making the appointment to Tokyo Mr. Bruce was available as one who had a first hand knowledge of some of the conditions to which I have referred and who was able to accept the appointment immediately. He was a gentleman in whom the government had every confidence. The word I have received from those who have seen Mr. Bruce in Tokyo and from the representative of Japan in this country is that he has filled the position which he now holds very admirably since the time of his appointment.

Mr. BENNETT: I am not going to labour a matter about which I prefer not to speak. I have known Mr. Bruce from my earliest days and have acted for him professionally. I know his condition perhaps as well as any man in this house, but I share the view expressed by those who are in a position to speak with authority that it is not fair to the Dominion of Canada that he should be our representative in Japan. I would not expect a Japanese minister, with the well known courtesy of that race, to do other than express the greatest satisfaction with any person who might happen to be appointed to that position. I know that Mr. Bruce discharged with complete satisfaction the duties of lieutenant governor, but I still think it is unfair to this country to have the present representation. The hon. member for Broadview (Mr. Church), who represents a substantial body of opinion in this country, has expressed considerable opposition to the maintenance of these legations, and the present situation makes it much more difficult for those of us who believe that a minister may serve a useful purpose to support the institution as it is at present organized and presided over by our minister. I know that what I say, and

say regretfully, represents the view held by those who put truth above all other considerations and who are not concerned about what the effect may be of the mere statement of it. I am hoping that possibly the directing of attention to this matter will bring about a very necessary change on the part of the gentleman himself.

Mr. MACKENZIE KING: When I asked Mr. Bruce to accept this appointment he directed my attention to just the criticism which my right hon. friend has made as something which might have to be met. He told me that in the circumstances he would like the government to feel that he would be quite prepared to retire at any time the government might wish to make some other appointment. He said that at most he could not remain in Japan very long. It was thought by the administration at the time of Sir Herbert Marler's transfer from Tokyo that it was advisable not to leave that particular post without a minister. Mr. Bruce possessed the necessary qualifications for the post from many points of view. The only possible limitations were his years and a certain infirmity of sight. He possesses some qualifications as a diplomat which I imagine are not excelled by any man in any post anywhere.

Mr. NEEDHAM: Could the Prime Minister give us an idea of what is spent by Canada in maintaining ministers abroad, and also what is spent by other countries in maintaining ministers in Canada? We would then be able to see what balance there is as between the money spent in other countries by Canada and the money spent in Canada by other countries.

Mr. MACKENZIE KING: I have never tried to balance the sheet in that way, but I imagine if I were to attempt it I would find that a good deal more money was being spent by representatives of other countries resident in Canada than is being spent by our representatives abroad.

Mr. BENNETT: When did the present minister present his credentials in Tokyo?

Mr. MACKENZIE KING: The letters of credence were signed on September 2, 1936, and he presented them in November.

Mr. BENNETT: The minister was appointed when the house was in session last year and he did not take up his appointment until November, 1936. He has been in Tokyo for a matter of only three months, so that the urgency of his appointment could not have been very great.

Mr. MACKENZIE KING: The appointment was not made until the time I have referred to.

Mr. BENNETT: It was made when this house was in session.

Mr. MACKENZIE KING: The appointment was not made; there was an announcement of the intention to make an appointment.

Item agreed to.

Geneva—Canada's contribution to the expenses of the League of Nations for 1937, including secretariat, international labour organization and Permanent Court of International Justice, $155,775.

Mr. BENNETT: Is the reduction because of a smaller assessment?

Mr. MACKENZIE KING: It is due to the devaluation of the franc in Switzerland and the florin in Holland.

Mr. DOUGLAS: Is the decrease due only to the devaluation in the Swiss franc? There has been no decrease in the contribution of Canada to the League of Nations?

Mr. MACKENZIE KING: There was also a devaluation of the florin in Holland.

Mr. BENNETT: There is no decrease in assessment, I think.

Mr. MACKENZIE KING: I will give the full particulars.

As a result of the devaluation of the Swiss franc and the Dutch florin (salaries and most other expenditures being incurred in Geneva and The Hague), it was possible to make a reduction of twenty per cent all round in the contributions which would otherwise have been required. The Canadian contribution will be 155,775 gold dollars; provision for an equivalent number of Canadian dollars is made in Vote 206, while the balance, approximately $100,000, varying according to exchange fluctuations at the time payment is made, will, as usual, be met from the vote for exchange, No. 213.

Item agreed to.

Expenses of Canadian delegates to the Assembly, conferences and commissions of the League of Nations, $14,000.

Sir GEORGE PERLEY: This is for the expenses of the delegates to the league. I should like to ask if it covers the expenses of all the delegates, including the ministers of the crown, or whether some expenses are paid for in other ways, by allowances such as are usual when a person is sent on a commission somewhere.

Mr. MACKENZIE KING: I am informed that the item covers all the expenses, including those of ministers and others who may be representing Canada.

Mr. BARBER: Can the Prime Minister tell us who represented Canada last year?

Mr. MACKENZIE KING: At the last assembly we had three delegates, the Prime Minister, the Minister of Labour (Mr. Rogers) and Senator Dandurand. The delegation also included Doctor Skelton, Under-Secretary of State for External Affairs; Mr. Vanier, who is in the London office, and Doctor Riddell.

Mr. MARTIN: Mr. Chairman, the question put by the hon. gentleman who spoke immediately preceding the Prime Minister provokes me to make one or two observations in connection with the personnel of the Canadian delegation that attended the last assembly of the league.

I have criticized a good many of those who represented Canada at the League of Nations, and I know it was not because of anything that I had said, but perhaps in spite of it, that the delegation this year was of an exceptionally high order. I had the privilege of attending on my own account the last assembly of the league and of being present at its discussions both in committee and in general assembly, and I am sure I am expressing an opinion that will be shared by every member of the house when I say that we must always feel it a great honour for Canada to have been represented at the league by the Prime Minister and the ministers and others in attendance with him.

I seem to have been in the habit of following prime ministers. I was in Geneva when Sir Robert Borden was in attendance, and I was also at Geneva when the right hon. leader of the opposition (Mr. Bennett) was likewise head of the Canadian delegation. I want to say first of all about his representation that unfortunately his indisposition at the moment precluded him from giving that attention which normally he would have given to the affairs of the league, but his was a representation of a very high character. The Prime Minister of Canada when he attends the assembly of the League of Nations gives to the delegation a distinction and a prestige which normally it does not possess, and that was particularly true, Mr. Chairman, this year. I think some mention should be made of the character of that delegation.

There was first of all the Prime Minister. I have taken pains to go through the list of all the delegates, and our Prime Minister was the only head of a government in attendance at this year's assembly. In addition we were represented by two other ministers of the crown, the Minister of Labour and Senator Dandurand; also by Doctor Skelton and Colonel Vanier. Of equal importance is the fact, which should be noted by the committee and which has not been mentioned for obvious reasons, that the Prime Minister of Canada was singled out for very high distinction at the assembly, having been selected as one of the four vice-presidents.

I believe, Mr. Chairman, that members of the house on all sides are fully convinced of the importance of proper representation at international conferences generally, and it is a source of gratification to the country that the government decided to send a delegation so fully representative of Canadian thought, and clothed with the fullest authority.

While I am on my feet may I make one or two other observations that are made from a study over a period of some time. I believe we are fast approaching the period when we should have in this country a foreign service act. That may not be altogether in harmony with the views of the hon. member for Broadview (Mr. Church). I believe it is essential that not only those in charge of our legations but as well those who are acting in minor capacities in our legations should be given ample opportunity, particularly if their own pecuniary circumstances do not permit, to keep fully in touch with what is going on in this country. I know at least two gentlemen in our foreign service who have not visited Canada for some time, who have not had the means to come to Canada. One in particular, in my judgment, in spite of his good intentions and wishes, is no longer seized with the current thought of his own country. I think that is to be deplored. It should be possible for minor and major officials to visit their own country periodically, as officials of the League of Nations are permitted to do, and indeed as minor officials in other legations of other countries are permitted to do.

I simply make these observations, Mr. Chairman, but I think they have great merit. In conclusion, it does seem to me that the time has come in this house when these matters—I do not refer particularly to the Geneva estimates but rather to questions coming within the category of international affairs—should be discussed by a properly constituted committee. If we are to attain some measure of thoroughness in dealing with them we should pursue in respect of international affairs the same course that we pursue in respect of our purely domestic problems.

Mr. WOODSWORTH: Might I venture to agree with and if necessary supplement what has just been said by the hon. member for Essex East (Mr. Martin). It does seem to me that there ought to be a better opportunity given to the house to study our foreign affairs than is given upon consideration of the estimates. We have a committee known as the industrial and international relations committee. It is only occasionally that any matter referring to international relations has been referred to that committee, and I am afraid the committee has not been taken very seriously. The whole range of matters coming under external affairs, at least those that are not strictly confidential in character, might automatically be referred to that committee. The members of the committee would benefit very largely by their study. Certain representations by the committee might be made to the house. It could have before it the Under-Secretary of State for External Affairs, who might at least outline many of the problems that face us at this time. There should be before the committee a detailed report of what was done at the last assembly of the League of Nations. Only as members of the house secure fuller knowledge of international affairs than most of us have at the present time can it be hoped that there will be a deep interest in these matters on the part of the people generally. On several occasions I have spoken to the Prime Minister about this matter. I hope he will see his way clear in the near future either to refer these matters to the present committee or, even better, to appoint a separate committee charged with studying on behalf of the house the whole of our foreign policy and international relations generally, as is done—a colleague suggests—by the foreign relations committee in the United States.

Mr. BENNETT: I have followed from time to time the statements made by members of this house who suggested that the foreign policy of Canada should be studied by a committee, and the more I have looked into the matter the more certain I am that it would do harm rather than good. No one would suggest that the foreign relations committee at Washington has at all times served a useful purpose. The essence of foreign policy in England, for instance, has been continuity of policy and, so far as might be, unity of thought and action on the part of successive governments; that is a Liberal government succeeding a Conservative administration has endeavoured to carry out the general outline of large policy which its predecessors thought desirable in the interests of the country. Public examination into details of foreign relations tends to create the impression that that which must be withheld from the public has a sinister meaning, though in fact it has not. One cannot discuss foreign problems—and when I use the word "foreign" I employ it in the sense of everything external to Canada—as one discusses domestic problems, because the other man's point of view must be considered, and yet it cannot be disclosed; he does not do business on that assumption, and without his specific consent his communications or dispatches or expressions of viewpoint cannot be made known to the public.

One of the difficulties in connection with foreign policy that have been experienced by countries which have pursued the course that has just been suggested is that they find it hard to do business in the way in which foreign relations have usually been maintained. The essence of democratic government is that so far as possible the government shall be responsive to the mind and will of the people. But if people's minds are to be distracted by extreme views and the suggestion of sinister purposes and motives in connection with matters that cannot be fully exposed at the moment to the public mind, because their disclosure must be delayed until something further has occurred, a government may experience the negation of the very effort it is making to secure a successful issue of the matter in which it is engaged. During the last few months every government in the civilized world has been worried and worn by the conditions that obtain throughout the world. Now if we are to resolve ourselves into a committee, small or large, and have statements made by prominent officials, and examine documents and papers, when an announcement is made that this or that paper cannot be produced at the moment, someone will say, "Why can we not have it? Are we not the people?" and the net result will be that you will create an atmosphere unfavourable to the sense of tranquillity and confidence on the part of the public which every government, I think, aims to secure.

When Lord Granville went out of office in 1870 he told his successor that the horizon had never been clearer than at that moment, yet within a few weeks the Franco-Prussian war broke out. That is an illustration of the uncertainties that pervade the atmosphere of foreign offices. At the moment we have no such terrific responsibilities, but our partnership in the commonwealth of nations does place us in a position wherein a public discussion by a committee of matters that I could name, were I so disposed, might and I

think would be most injurious in respect of many problems that are constantly engaging the attention of the prime minister and his government. For these reasons I have never been able to bring myself to an appreciation of what is meant by the proposal to refer to a committee matters relating to our foreign policy.

The foreign policy of this country is so obvious that it does not require much discussion. On points where there may be differences or wherein an acute situation may arise, the responsible ministers are always desirious of informing the public, not only for their own safety but because they have a sense of responsibility in that regard. But there are some matters which can be peacefully adjusted by reason of the very fact that they are not made known for public discussion, whereas such a result would be made difficult if they became the subject matter of bickering and unpleasant and unhappy reflections. I am certain of that. I have made it my business to ask in many quarters, not only in our own empire but elsewhere, and I have received but one answer, and it is this: with the tremendous responsibility that rests upon those who have to accept the duties of office, to meet a committee of parliament and be asked about matters which cannot be divulged because they may be in a state of partial completion, would be impossible without creating that very suspicion and unrest and distrust which all governments endeavour to prevent or allay. I cannot bring myself to any other view. I should like to feel that there was something in the suggestion that has been made, but I cannot see that it would have any effect other than to injure rather than advance the cause which the hon. member has in mind.

The discussions in the foreign relations committee of the United States are of two kinds, one public and the other private. The senate of the United States goes into executive session about every matter that affects the interests of the United States with respect to treaties when they are up for discussion and ratification, and it does not permit the general public to have any knowledge of them. It was asserted that this had always been a matter of tradition. There is said to have been such tremendous applause that the windows of the old senate chamber rattled when, in connection with the Alabama claims, Sumner quoted:

> It was that fatal and perfidious bark,
> Built in th' eclipse, and rigged with curses dark,
> That sunk so low that sacred head of thine.
> [Mr. Woodsworth.]

That is what he is alleged to have said at the height of his eloquence. In the United States they do not permit public discussion of those matters which are of tremendous and vital force in connection with their foreign policies. Surely there has been in this house no limitation by any government to the fullest possible discussion of every matter that affects the relations of Canada to the empire and to foreign countries; I have seen no such effort on the part of anyone, and I know of none on the part of the late government at least. But to send matters of that kind to a committee for discussion I cannot but think would have the effect of destroying that very sentiment and sense of solidarity and continuity which is so desirable in connection with our international relations, whether with other members of the British commonwealth or what one might technically call foreign nations.

Mr. MACKENZIE KING: I might say to my hon. friend, the member for Winnipeg North Centre, that in bringing on the estimates of the Department of External Affairs at this early stage of the session, I had hoped that this year at least the government would be meeting his wishes in the matter of affording early opportunity for the fullest discussion of external affairs. Two or three times my hon. friend has complained that the estimates of the Department of External Affairs were held until near the end of the session with the result that no opportunity had been given for discussion of External Affairs. This year I tried to bring on the estimates early so as to avoid that criticism. As to ample opportunity of discussion may I say that opportunity is being offered now. The house is in committee, there is no desire in any way to limit discussion. I must say however that I agree with what the leader of the opposition (Mr. Bennett) has just said about the great responsibility which rests upon a minister in charge of foreign affairs to-day. If there is any time or occasion where the doctrine of ministerial responsibility applies to the full it is in these matters which relate to the affairs of foreign nations and other countries. For example, I cannot imagine a committee calling before it the under secretary for External Affairs and expecting him to take responsibility either for giving or withholding information in relation to foreign affairs. That is something for which the minister himself must take responsibility. That being the case, it seems to me it is much better that the minister should take his stand before the house as a whole rather than appear before

any committee. With the condition of the world what it is to-day, I feel very strongly that there are some things which it is just as well to avoid discussing. On the floor of the house a minister can give his reasons for withholding discussion and will be expected to do so. I do not see what could be added in committee that could not be given on the floor of the house.

Mr. WOODSWORTH: I appreciate the kindness of the Prime Minister (Mr. Mackenzie King) in bringing down the estimates at an early stage of the session. But it seems to me that both he and the leader of the opposition (Mr. Bennett) have a wrong idea of what is involved in my proposal. I recognize that there are certain matters which, by their very nature, must be more or less confidential. No one wants to drag those out, especially when delicate negotiations are going on. I recognize also that no under secretary ought to be asked to give information with regard to matters of policy. But I believe there is much taking place in the world to-day that ought to be known to our general public. Comparatively little information is given in our press concerning international affairs; even in our schools and universities little opportunity is given to follow them. If even we in this house are to form an intelligent judgment on these matters, an opportunity ought to be afforded for studying them.

What I speak of is the setting up of a new piece of machinery. With regard to the business of almost every department we have committees; every hon. member is familiar with what is done in those committees; the head of the department or other officials may be called in, not to discuss policy but rather to give information. Sometimes outsiders may be called in; representative men or women from many walks of life appear and give information or their expert knowledge. It is for the government to decide later what the government's policy shall be, but at least the committee is more or less informed as to the subject matter under discussion. Surely we should get away from this idea that foreign policy must be conducted in secret. The suggestion is made that if the public knows just a little more, it will become restless. I cannot see the force of that argument. The fact is that if it is considered that foreign affairs must be conducted in secrecy, the public is much more likely to imagine that something is wrong.

The leader of the opposition suggests that we ought to have continuity in our policies as regards both commonwealth affairs and dealings with foreign nations. I would suggest to him that it did not look as if he were very strong on continuity when immediately on accession to office he altered our representation in both London and Washington.

Mr. BENNETT: There was not any representation at Washington at the time.

Mr. WOODSWORTH: Well, very shortly afterwards there was representation of a very different kind. I am not urging that in committee we should cover the whole field, but instead of merely passing an item to cover the expenses of our delegation to Geneva, we might well have that delegation appear before a committee, tell its experiences in Geneva, share with us some of the information acquired there. Then, with regard to relationships that we have with other countries, instead of our being forced to discuss in the house details with regard to our relations with China, Japan or any other country, it seems to me it would be far more intelligent to have some definite machinery through which this could be done to greater advantage. That is all I have in view. I do not think the answer of either the leader of the opposition or the Prime Minister has really touched the proposal which I made in this connection.

Item agreed to.

Miscellaneous—To provide for hospitality in connection with visitors from abroad, $15,000.

Mr. MacNICOL: May I ask when the vote pertaining to the International Joint Commission comes up.

Mr. MACKENZIE KING: Provision for the International Joint Commission is made by statute. It is not necessary to discuss the appropriation in committee because provision is made under an act which sets forth the amount to be paid year by year. If however, my hon. friend wishes to ask any questions on the matter, he is perfectly free to do so at the present time.

Mr. MacNICOL: If I remember the figures correctly, the auditor general gave them for 1935-36 as $38,272, whereas for 1936-37 and 1937-38 they are $73,000. I was going to ask if the increase arises because of the meetings of the International Joint Commission during the past summer.

Mr. MACKENZIE KING: As a matter of fact, the statute provides for the larger amount but only the smaller amount was actually paid. I think that explains the point raised by my hon. friend.

Mr. MacNICOL: And does the International Joint Commission report directly to the minister on matters that came up at the meetings of the commission last fall?

Mr. MACKENZIE KING: The commission makes a report to the minister, yes, upon the different matters that come up for discussion.

Mr. MacNICOL: At the moment I have nothing to say with regard to what was discussed at the meetings of the commission that I attended. I refer particularly to the part of the reference to the commission concerning the Richelieu river. This matter will come up under the public works department, and I shall have something to say then. I must say, however, that I was amazed at the proposal of the Lake Champlain Valley Council Association before the commission, to divert water from lake St. Francis across country, having it flow by gravity into the Hudson river. The water level of lake St. Francis, above sea level, was proposed as stationary at 152 feet. The proposal was to run a canal directly across to lake Champlain, the water to enter that lake through one or two locks having a total drop of about fifty feet. It was proposed that the level of lake Champlain should be maintained at 100 feet above sea level by constructing works at the outlet of the lake in order to regulate the flow into the Richelieu river at, I suppose, approximately a thousand second feet. The balance of the proposed diversion of 5,000 second feet—

The CHAIRMAN: I do not like to interrupt, but we are on item 210, to provide for hospitality in connection with visitors.

Mr. MacNICOL: The Prime Minister gave me permission to ask a question about an item that was not called, and in any case I shall be through in a moment. As I said, the proposal was to control the flow of water at the outlet of lake Champlain so as to maintain the level at 100 feet above sea level. Then it was proposed to tunnel or excavate through the height of land south of lake Champlain and take the water across country to Northumberland on the Hudson river. That height of land is about 147 feet above sea level. I covered that territory very thoroughly during the fall, and I am familiar with the whole layout of the country.

It struck me, Mr. Chairman, that if anything of this sort was ever permitted it would be ruinous to the harbour of Montreal, and anything that would ruin the harbour of Montreal would ruin the whole economic fabric of this country. I am confident that the minister would never permit the diversion of 5,000 second feet of water out of lake St. Francis, across country and through two locks into the Hudson river at Northumberland but if an association carries on propaganda and keeps it up for a long time there is no telling how far it may go. I wondered whether that report had been received by the minister.

Mr. MACKENZIE KING: I understand that the inquiry was originated at the instance of the United States. Some hearings have been held already, and the commission will be holding further hearings in April. It will be some time before any report is made, and when that report is prepared it will be printed and sent to the governments of both countries. The commission will not be in a position to commit either country to any project. The purpose of the inquiry is to get information which will enable the government to decide what may be best with respect to any project of the kind.

Mr. BARBER: Would the Prime Minister explain this item and give us a statement as to the money expended last year?

Mr. BENNETT: Just before that point is left, I wonder whether the Minister of Justice (Mr. Lapointe) has given any thought to the effect of the privy council decisions, which I have read in the newspapers but of which I have not seen the full text, with regard to the meaning of section 132 in relation to the treaty having to do with the International Joint Commission. If the newspaper reports are accurate, I am not quite clear as to whether or not the treaty is invalid. Perhaps when the minister gets the opportunity, he will look into that question when he is looking into the other matters that have to be dealt with.

Mr. LAPOINTE (Quebec East): I have just received the information that the text of those decisions has reached the department, so I shall be able to communicate the text to the house to-morrow and the matter to which my right hon. friend calls attention will certainly be investigated.

Mr. MACKENZIE KING: My hon. friend has asked for an explanation of the hospitality vote, which shows an increase of $10,000. This again brings up a point, which will come up in connection with other items which will be presented this afternoon, as to the position which a country is obliged to take as a country when belonging to the family of nations. The custom does exist among different nations of extending something in the way of hospitality to important personages from other countries. When Canada is

represented abroad by its public men they are frequently entertained by the governments of the countries to which they go, and on our part we are obliged to extend similar courtesies, or at least we feel that we should do so, to distinguished personages visiting Canada from other countries. This year, due to the coronation and the imperial conference, we expect that there will be a considerable number of persons of importance visiting Canada to whom some hospitality should be extended by the government, and for that reason the amount is somewhat larger than otherwise would be the case.

I might mention in particular that we have learned that Prince Chichibu the brother of the Emperor of Japan proposes to go to London for the coronation via Canada. His Royal Highness will be visiting Ottawa on his way to London, and will be staying in this country for a short time. The government feel that it would wish to extend appropriate courtesies to the emperor's brother.

Mr. BENNETT: I think there is no overestimating the importance of having this dominion properly discharge its duties to those from other parts of the British Empire and elsewhere who visit us. It will be within the memory of this house that we did entertain the brother of the Emperor of Japan and his wife, and we did entertain the King of Siam. They intimated that they were passing through this country, and we considered it our duty to extend some courtesy by way of entertainment. I can not in any sense come within the qualification imposed by the first minister in his observations, as being a distinguished person, but I was embarrassed by the kindness and courtesy extended to me in New Zealand, Australia and South Africa. The governments of those countries certainly make it their business to extend hospitality to people from other parts of the dominions. We have done less of this than most of our sister dominions, and in view of the great stretch of country we have it is highly important that we should provide that those who come among us and, to put it on a selfish basis, who may do us a great deal of good, should get the best possible view of the country as they pass through it and the best possible impression with respect to it. I feel quite certain that this view, which is held in other countries, should prevail here. As far as my information goes, there is no country that does not maintain a hospitality fund of substantial proportions. In Canada the accounts are audited by the auditor general, and I think it may be said in the main that there has been little cause for complaint either as to the method of inspection or as to the persons who have been selected to be what one of our friends once described as the victims of our hospitality, there being some danger that hospitality may be extended too generously.

Item agreed to.

Amount required to meet loss on exchange, subject to approval of treasury board, $135,000.

Mr. BENNETT: This is a matter which would come under the Department of Finance, but there is no reason why we should not pass it. It is an exchange item.

Mr. MACKENZIE KING: There is a reduction in the item. It is due to the devaluation of certain foreign currencies.

Item agreed to.

Canada's portion of expenditure of the Imperial economic committee, the Imperial shipping committee and the executive council of the Imperial agricultural bureau, for 1937, $18,690.

Mr. BENNETT: This is a fixed item, is it not?

Mr. MACKENZIE KING: Yes.

Item agreed to.

Advertising and publicity in the United Kingdom and Europe, $350,000.

Mr. COLDWELL: What is the advertising for, and why the increase?

Mr. MACKENZIE KING: The vote for advertising and publicity in the United Kingdom in 1936-37 was $250,000, but a further amount of $25,000 was made available from the fisheries vote for that year. It was to aid in extending the sale of products of Canadian fishermen in foreign and domestic markets, in order to intensify the Canada Calling campaign in connection with fish. The details of the expenditures from April 1 to December 31, 1936, are:

Advertising in Canadian Chamber of Commerce Journal, £100.
Contract with Service Newspapers Limited, £400.
Advertising arrangements with the Empire Home-makers Institute, £400.
Advertising in publication "Quebec", £100.
Advertising in Canada's Weekly, £1,500.
Advertising in Imperial Review, £100.
Poster advertising on selected sites, £3,000.
Press advertising, £4,899.
Advertising on commercial and public vehicles, £10,000.
Printed matter, £9,653.
Canadian bacon advertising, balance due from 1935-36, £210.
Salaries of permanent staff, $8,000.
Salaries of temporary staff, £332.
Allowances, permanent staff, $2,000.
Miscellaneous expenses, Ottawa, $500.
Office expenses, London, £3,000.
Services of James Spence, £735.

Imperial Institute for servicing of Canadian films, £200.
Hire of sandwich board men in Glasgow, and supplying posters, £97.
Canadian electric sign, Liverpool, £2,400.
Printing in Ottawa, $2,064.
Dominion day advertising, £3,534.
Advertising on curtain of Kings theatre, Edinburgh, 52 weeks, £312.
Canada Calling campaign, outdoor and aeroplane advertising, £1,246.
Canvassing, £1,107.
Canada Calling campaign, organization expenses, £208.

Mr. COLDWELL: If the results are satisfactory, I suppose the expenditures are warranted. I have noticed that recently some of Canada's advertising in old country papers has been greatly improved. I was wondering whether the increased expenditure is due to the new or improved method of advertising. May I ask if included in the amount is the advertising done by the Department of Agriculture in connection with Canadian farm products?

Mr. MACKENZIE KING: No, this does not include the agricultural item. An amount is voted specially for that purpose. The present high commissioner has given particular attention to the whole question of the organization of publicity in the United Kingdom. What the hon. member has observed by way of improved conditions is I believe the result of careful study which has been made in connection with advertising, in which there has been an attempt to bring together all the interested parties, and to include all departments of government which advertise abroad. The expenditure for the Department of Agriculture remains separate.

Mr. MASSEY: What proportion of the vote is allocated to the United Kingdom and what to the rest of Europe?

Mr. MACKENZIE KING: I believe it is something like ninety-five per cent to the United Kingdom.

Mr. BENNETT: A sharp issue is raised here, in connection with advertising. It will be recalled that the former high commissioner endeavoured to consolidate in Great Britain the advertising done by Canada. The Prime Minister will recall that he directed attention to certain efforts made by one department to carry on advertising "on its own," so to speak.

The statute dealing with the office of high commissioner provides that he shall have general supervision and control of our activities in the United Kingdom. I read and always have read the statute as indicating that he should be in charge, and I use the expression "in charge" in the colloquial sense in which we use it in Canada. The former high commissioner endeavoured to consolidate advertising services. I believe the Prime Minister will recall that in one year we increased the vote to, I believe, about $250,000. That represented all the advertising expenditure to be made in the United Kingdom and Europe in that year, and we endeavoured to bring it under the control of the high commissioner.

Mr. James Spence, to whom reference has been made, is in charge of that section of the advertising carried on under the direction of the high commissioner's office. Various departments have endeavoured to conduct their own advertising campaigns. At one time it was the Department of Trade and Commerce, to which exception was taken, and at another time it was the Department of Agriculture. The question as to the relationship between these two departments I purpose discussing at a later time. The story is a very old one, and involves a close and careful analysis of the situation. If the Department of Trade and Commerce is to be treated as it has been on several occasions in the past, then it will fail in the discharge of its duty. That department is responsible for the trade commissioners.

I read an article in one of the weeklies—I believe it was Canada's Weekly—dealing with the impingement by one department upon the operations of others. Our trade commissioners are highly efficient and effective men. The principle underlying the agricultural activities of Canada will be found in the British North America Act, and in the statute dealing with the department. It was never intended that it should be charged with a responsibility outside Canada. Its duty was to see that our products were standardized, that they were of the highest possible quality and that every possible step was taken to ensure that they met the requirements indicated by the Department of Trade and Commerce. So the trade commissioners are responsible for the work outside Canada. If the testimony to their effectiveness and efficiency that one receives in other parts of the world is correct, these men, who are mostly young, have discharged their duties and responsibilities in a highly satisfactory manner. If another body is to be set up to do the same work or to have any responsibility in connection with it, the result will be disastrous. I know that in times past acute differences have arisen between the Department of Agriculture and the Department of Trade and Commerce. Those of us who have listened to the statements of a former minister of agriculture and of a former minister of trade and commerce will realize the necessity of there being a clear delimitation of their activities as provided by the statute. The

Department of Agriculture should be charged with the responsibility of seeing that the requisitions as to fitness and quality and everything connected with the preparation of our exports have been complied with. When they leave these shores the responsibility should belong to the other department. I mention this because it touches the question of advertising. The Prime Minister says that the question of advertising does not touch the Department of Agriculture, that the statute makes it perfectly clear that the trade commissioner's office should be responsible for it all.

Mr. MACKENZIE KING: As my right hon. friend says, any advertising is carried on through the high commissioner. I was answering the hon. member who spoke a moment ago with reference to using money voted to the Department of Agriculture for its work. That money is used for the purpose of gathering information through officers of the department in England as to what would be helpful in determining types of commodities required and in connection with grading and the like. I think that is what my right hon. friend is referring to.

Mr. BENNETT: If the right hon. gentleman had made that statement before, he would have been saved having to listen to my observations of the last few minutes.

Mr. HEAPS: The Prime Minister gave details of expenditures and mentioned one expenditure of £1,500 for advertising in one newspaper. Could he tell us what paper that was?

Mr. MACKENZIE KING: Canada's Weekly. This paper goes into every public library in the old country.

Mr. HEAPS: What is the circulation of the paper outside the libraries?

Mr. MACKENZIE KING: I am afraid I cannot give my hon. friend that information.

Mr. MASSEY: Could the Prime Minister tell us how this money is allotted? As some of us who have been in the advertising game know, there are advertising agencies and other aids to those who would place advertising accounts of considerable dimension. I am not attempting to criticize what has been done, as I agree with the hon. member for Rosetown-Biggar (Mr. Coldwell) when he says that the advertising has been excellent and is a credit to the high commissioner. Are Canadian advertising agencies having branches in London consulted with regard to this advertising, or are British agencies used exclusively? What is the course of procedure?

Mr. MACKENZIE KING: This is part of the "Canada calling" campaign. I have the details before me and perhaps the committee might be interested in having them on record. They are:

Early in the fiscal year the High Commissioner decided to reorganize and coordinate the publicity activities of Canada carried on in London. For this purpose a committee was constituted under the chairmanship of the High Commissioner, consisting of Colonel Vanier, Secretary of the High Commissioner's office; Mr. Hudd, Chief Trade Commissioner; Mr. Gerahty, Director of Trade Publicity; Mr. Pearson, First Secretary, High Commissioner's Office, and Mr. Spence, Publicity Agent, formerly with the Department of Immigration.

Plans for a policy for the advertising of Canadian products in the United Kingdom were considered, particularly with a view to whether it would be desirable, in future, to concentrate expenditure under a well defined scheme rather than by making small and separate contributions to a variety of publicity enterprises.

After considering plans submitted by four of the most reputable and successful advertising establishments for the advertising of Canadian products, the contract was given to the firm of Mather and Crowther, Limited, a well known London firm. The Mather and Crowther plan was based on regional rather than national advertising, as it is not possible effectively to carry through a national advertising campaign with the amount of £40,000 or £50,000 when one is attempting to sell, not a single product, but to create general goodwill for a large range of products emanating from a single country. The regional campaign proposed is to cover the large urban areas such as London and the home counties, Manchester, Glasgow and the Clydeside, Liverpool and Birmingham. This regional campaign will last for about four months. The first month will be devoted to trade canvassing, to the arranging of window displays and organization work. The second month will initiate an intensive press and poster advertising campaign, with films and other forms of publicity used. During the third month press and poster advertising and retail displays will be maintained, but in a lesser degree, while in the fourth month there will still be a considerable body of very valuable "reminder" advertising. Each regional campaign will cost in the neighbourhood of £4,000.

It is hoped to secure the complete approval and cooperation of Canadian producers, Canadian importers in the United Kingdom and all Canadian advertisers, governmental or otherwise, engaged in the fostering of Canadian trade.

These regional campaigns, which have been called "Canada calling Great Britain," have been planned at Glasgow, Edinburgh, Liverpool, Cardiff, Leicester, Birmingham, London, Leeds, Manchester, Belfast, Sheffield, Newcastle, Hull, Southampton, Nottingham, Plymouth and Bristol. I continue:

The Canada calling campaign has for the first time effectively mobilized and concentrated Canadian government publicity in the United Kingdom in the larger marketing areas where there is a big consumers demand for Canadian products. Trade inquiries for Canadian goods

have increased remarkably in the cities in whch the campaign has been centred. Reports from retail distributors, produce brokers and the Canadian government trade commissioners confirm the impression that the campaign is achieving its purpose of stimulating the demand for Canadian goods. It is receiving the active cooperation of United Kingdom merchants and importers as well as of Canadian producers, and has enjoyed an extremely appreciative reception in the United Kingdom press where Canada and Canadian news do not always get as much space as we may think they deserve.

The campaign, in the six months which it has been in operation, has already justified the provision for its continuation and development included in the estimates. It has now been launched in the London area where an intensive covering of shopping districts will be more difficult and more expensive than in some of the earlier regional campaigns which have been carried on in Scotland and the industrial north. In the coming year it is hoped to increase the effectiveness of the trade publicity by an increased use of films, press and poster advertising and by enlarging the number of regional campaigns that will be carried on at one time.

Mr. MASSEY: Will the nature of the campaigns for advertising onions, apples and so on, be left to the discretion of the high commissioner's office in London, or will they be governed from Canada?

Mr. MACKENZIE KING: I assume that will be a matter of conference between the two.

Mr. MASSEY: Did I understand the Prime Minister to say a while ago that advertising for the Department of Agriculture would be handled by the high commissioner's office?

Mr. MACKENZIE KING: I did not make myself clear in my reply. I was answering a question about a vote which had been made for the purpose of agriculture. The purpose of that vote was to enable the officers of the department to gather information in England with respect to quality grading and other matters which would be helpful to the department here. Such advertising of agricultural products as is done will be done by the high commissioner's office.

Mr. MASSEY: I congratulate the high commissioner's office upon the advertising they are doing. Such advertising as I have seen of late has been of a very high quality, and this vote, large as it is, is well justified by the returns to this country.

Item agreed to.

Expenses in connection with the negotiation of treaties, $20,000.

Mr. CAHAN: I trust the chairman will allow me to ask a question as to the matter which the Minister of Justice (Mr. Lapointe) mentioned a moment ago. I understood him to say that he had received copies of the judgments on the recent references which were made and came before the judicial committee of the privy council.

Mr. LAPOINTE (Quebec East): I have just been sent the information that we have received them.

Mr. CAHAN: I wonder whether it would not be possible to have them printed so that the members of the house might have access to them. It will be one or two months before the law reports are published. We have now on the order paper certain bills introduced, strange to say, by a private member for the repeal of certain statutes enacted by this parliament in 1935, and the question of their repeal must depend very largely upon a careful consideration of the opinions delivered by the judicial committee of the privy council. On that ground alone it seems to me that we should have at an early day copies of the judgments made available to all members who are interested.

Another more important matter was mentioned by the right hon. leader of the opposition (Mr. Bennett) a moment ago, and that is that the opinions of the judicial committee of the privy council, as summarized and reported in the press, seem to go to the very root of the previous constitutional practice and to suggest that the government of Canada no longer has the legal authority or the constitutional right to negotiate with foreign nations treaties except those to which the parliament of Canada can give legislative validity. As that question must, I think, come up for discussion, it is important that the text of the opinions delivered by the judicial committee of the privy council should be made available. Certainly I trust that the government will not allow certain bills which have passed a first reading to come up for a second reading until we have the text of those opinions available.

Mr. LAPOINTE (Quebec East): I realize the importance of those decisions being made available to all the members of the house, and it was my intention to lay on the table to-morrow, at the first opportunity, copies of all the decisions. Then, perhaps, either the house will order that they be printed and distributed, or possibly if they are not too lengthy they might be inserted in the Votes and Proceedings, so that they would reach all the members of the house the following day.

Mr. BENNETT: And a few extra copies of the Votes and Proceedings might be printed.

Mr. LAPOINTE (Quebec East): Yes. The hon. member for St. Lawrence-St. George (Mr. Cahan) has said that certain bills for the repeal of certain legislation have already received their first reading. Those bills are still on the order paper for first reading. The decisions of the privy council doubtless have much to do with the consideration which members will give to those bills when they come up, if they do come up.

As far as the right of Canada to enter into treaties is concerned, the only references in which the question of treaties arose were the labour references respecting minimum wages, hours of labour and the weekly day of rest. They were special. It was even represented in this house that they were not treaties at all. They were conventions which were accepted by the house in 1935, and I believe it will be seen from the decisions of the privy council that their lordships did not consider them as ordinary treaties, such as my hon. friend suggests. However, we had better wait until we see the text, which I myself have not yet seen.

Item agreed to.

To provide for the expenses of the reference by the governments of Canada and the United States of certain complaints arising out of the operation of the smelter at Trail, B.C., to the tribunal constituted pursuant to the provisions of the convention signed at Ottawa the 15th April, 1935, $50,000.

Mr. BENNETT: This is only the voting of money that will be repaid to the country?

Mr. MACKENZIE KING: Yes.

Item agreed to.

To provide for expenses connected with Canada's representation at the coronation of His Majesty, $35,000.

Mr. WOODSWORTH: Would the Prime Minister indicate how much money altogether it is proposed to spend on the coronation ceremonies?

Mr. MACKENZIE KING: We have estimated $35,000 as the amount required, but that is exclusive of the $197,000 which will be required for the contingent.

Mr. WOODSWORTH: Mr. Chairman, here again I am afraid I must protest against these large amounts. It seems to me that this country might very well be represented by the Prime Minister and several individuals who could represent it with dignity, but I cannot quite see why there should be these very heavy expenses for what is, after all, simply an elaborate ceremonial, I turn over to the next page of the estimates, opposite vote 249 for $197,000 for the expenses of the contingent, and I find these grants: grant to the Canadian Council on Child and Family Welfare, $13,100; grant to the Canadian National Committee for Mental Hygiene, $10,000; grant to the Canadian Social Hygiene Council, $5,000; grant to the Canadian National Institute for the Blind, $18,000; grant to the Canadian Tuberculosis Association, $20,250; grant to the Victorian Order of Nurses, $13,100; grant to assist the Canadian branch of the St. John Ambulance Association, $4,050; grant to the Canadian Red Cross Society, $8,100; grant to the Canadian Dental Hygiene Council, $750. I give those as examples of the comparatively small grants that we make to these important institutions.

I am thinking more particularly of the large number of people who are living on very low standards, some of them in actual destitution, and who will have to pay the large sums required to send this contingent and the various delegates to London. We have just passed large votes for the advertising abroad of wheat, fish and so on, but the actual agricultural workers, the fishermen, the miners and the textile workers, whom we were discussing here last night, and generally the great masses of the producers of this country who really are the foundation of our national life, are to-day receiving in their personal incomes very small amounts indeed. Some of them are trying to bring up families on the small wages they are receiving. I do think—though I may be the only one in the house who ventures to express himself along these lines—that we are getting away from the earlier ideals which inspired the people of Canada, ideals of simplicity, ideals of living within our means. We have a sort of false front; we have to live in as good a house on the international street as anybody else. This is all wrong. We are not living within our means, and in our efforts to advertise this country or to be present at a great ceremonial, we are making large expenditures, when as a matter of fact we refuse to make even comparatively small expenditures to meet the needs of the producers and of the large numbers of unemployed who are constantly begging us for alms.

Mr. MACKENZIE KING: My hon. friend is hardly fair in the comparison he has made. He was trying to draw a contrast between what is being spent for the purpose of representation at the coronation and what is being spent in the way of money for social services. For any such purpose he ought to give the committee a statement in full, which would include what is being spent by the provinces for all social services—

Mr. BENNETT: And the municipalities.

Mr. MACKENZIE KING: —and what is being paid out by municipalities. He ought to take account of what has been disbursed by the federal government in the last few years in unemployment relief—

Mr. BENNETT: And by private benevolence.

Mr. MACKENZIE KING: —and for old age pensions, and now we have pensions for the blind which are being proposed this session. All that the hon. member has quoted are a few contributions being made from the federal treasury to help some private agencies which are carrying on a very creditable work and wish to be assured, through assistance given them by this government, of an amount sufficient to pay their secretarial staffs. I mention that only because I think it is important that a true perspective should be preserved.

With regard to the matter of representation, I believe citizens of Canada generally will wish this country to be represented at the coronation on a par with Australia and South Africa and New Zealand and India and other parts of the British empire. After all Canada is the largest and the oldest of the dominions. We take a certain pride in having a status of our own as an autonomous nation with all the powers and rights of a full nation. If we are to be represented at all at the coronation, surely it should be with some regard to the position that Canada holds in the eyes of other parts of the empire and other countries of the world.

My hon. friend speaks continually about what we are spending for one purpose and another and asks why we cannot afford a little more for peace policies. Many of the items that he has questioned this afternoon are for purposes which perhaps go further than any others towards promoting good will and good relations between countries. Our legations have been instruments for avoiding conflicts, for getting at the root of difficulties at their inception. The amount that will be expended in connection with the coronation will be a means, I am perfectly sure, of bringing together representative groups from all parts of the empire in a way which will further effect cooperation and good will among them. I think we must view these questions from the larger point of view that we are a full grown nation, with not only the opportunity of fulfilling the obligations of a nation but with a certain pride in the way in which we do it.

[Mr. Mackenzie King.]

Mr. WOODSWORTH: Send farmers and fishermen and textile workers, then, instead of sending soldiers.

Mr. MACKENZIE KING: May I say to the hon. member that I believe the young men who are in our defence forces, who are prepared to give, if need be, their lives at a time as critical in the affairs of the world as the present time, are deserving, whether they serve in the air force or the naval forces or the militia, of all the encouragement and all the honour that this parliament can give them. I resent strongly the imputation that a man who is prepared to offer his life in the service and for the protection of his country, on behalf of those who are unable to defend themselves, is not discharging an all-important function for the nation to-day.

Mr. WOODSWORTH: I made no such imputation. I said that we should send as our delegates persons who represent the different classes of our people. The Prime Minister has stated that we should send people who would promote peace. My suggestion was that if we were sincere in our desire to promote peace we might well send representatives of farmers and fishermen and miners as well as sending soldiers.

An hon. MEMBER: You said, instead of sending soldiers.

Mr. WOODSWORTH: All we are sending represent one class. I suggest to the Prime Minister that it would be equally possible for me to say that he insinuated that the farmers and the miners and so on were not the people who were at the foundations of our life. I do not charge he did say that, but I resent his suggestion that there was any justification for the statement he imputed to me.

Mr. MACKENZIE KING: May I say that in the militia service there will be many taken from the ranks of the artisans of this country; there will be farmers, miners and representatives of other trades and callings. I was not making any insinuations. My hon. friend remarked that we had better not send soldiers, and I was trying to point out that in a world such as we are in to-day those who are offering their services to the state as soldiers are deserving of all the recognition we can give them.

Mr. DOUGLAS: I doubt whether the Prime Minister's statement is altogether correct, that the people of Canada are greatly interested in seeing that Canada makes as good a showing as South Africa and New Zealand and Australia. There are thousands of people across

the dominion who are not particularly anxious about the kind of showing we make, but who are face to face with their greatest problem, that of making a living. When passing expenditures of this sort, and one to which the hon. member for Comox-Alberni (Mr. Neill) referred the other evening, this parliament should bear in mind that there are people in Canada, people in the province and the constituency from which I come, who are living on relief grants of from $6.50 to nineteen or twenty dollars per month, people who are receiving five dollars in their home when they are expecting the arrival of a child, people unable to get eye glasses or proper dental or medical care. To such it must be a striking contrast that we pass votes, one of $35,000 for the delegation to the coronation, one of $197,000 for a contingent to attend the coronation, one of $65,000 to decorate buildings across the dominion with flags at the coronation, one of $40,000 for the imperial conference. If we omit the item for the conference, there is a total of around $300,000, and it is in striking contrast to the fact that to the people I have mentioned we dole out a few cents here and a few cents there, sometimes after a most humiliating examination of their circumstances. When the Prime Minister feels that we are particularly worried over the matter of keeping up with the other members of the British commonwealth of nations, may I remind him that there are thousands of people who are much more interested in seeing that we properly discharge our responsibilities to our people who are in need throughout the dominion.

Item agreed to.

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

After Recess

The house resumed at eight o'clock.

DIVORCE IN BRITISH COLUMBIA

PROVISION FOR APPEAL TO PROVINCIAL COURT OF APPEAL IN DIVORCE AND MATRIMONIAL CAUSES

Mr. H. C. GREEN (Vancouver South) moved the second reading of Bill No. 15, to provide for appeal to the court of appeal of the province of British Columbia in divorce and matrimonial causes.

He said: The purpose of this bill is to provide for an appeal in divorce causes in British Columbia to the appeal court of that province. At the present time, in divorce and matrimonial causes, the only appeal in that province from the trial court, which is called the supreme court of British Columbia, is direct to the privy council, which means in actual practice that except for very wealthy people there is no appeal at all. This is an anomalous situation, for in every other province in which the courts have and exercise jurisdiction in divorce matters there is an appeal to the appellate court of the particular province. Let me make it quite clear at the outset that the purpose of this bill is not to give a new or wider jurisdiction to grant divorces in British Columbia. It is merely to give power to our appeal court to review decrees which are made by the trial court.

Hon. members may wonder how it happens that the trial court, known as the supreme court of British Columbia, has jurisdiction in divorce causes, while the court of appeal, which is a senior court, has not such jurisdiction. It does seem a ridiculous situation. It came about in this way: When the colony of British Columbia entered confederation in 1871, there was a trial court known even then as the supreme court, but there was no appellate court. At that time the law of England as of November 19, 1858, was in force so far as it was not inapplicable through local circumstances. This law of England included the divorce law of England, which accordingly was in force in the colony of British Columbia. Upon that colony entering confederation, the law-making power in so far as divorce matters were concerned passed by section 91 (26) of the British North America Act from the colony to the dominion, where it has ever since reposed. But the dominion passed no divorce legislation, so under section 129 of the British North America Act the divorce law of England remained in force in British Columbia, and it so remains to this day.

In 1877, a few years after the province entered confederation, it was held by the supreme court of British Columbia that this divorce law of England was still in effect in the province and that the supreme court of British Columbia had power to grant divorces. Those who would care to check the decision will find it in Sharp v. Sharp, reported in 1 B.C. Reports at page 25.

So much for the trial court. The appeal court has not been so fortunate. As the population of the province grew, the need for a court of review became apparent, so the provincial legislature passed legislation setting up a court of review, which was known as the full court, and giving to that full court the power to review every judgment, decree or order made by a judge of the supreme court. One might think that was wide enough to give an appeal in divorce causes. But in 1891 the full court itself held that it had no

power to hear appeals in divorce matters, because under the British North America Act the provincial legislature had no power to confer divorce jurisdiction upon any court. That remains the law to this day. It was confirmed within recent years by the present court of appeal for British Columbia, which has replaced the full court, and also confirmed by the Supreme Court of Canada in the case of Claman v. Claman, the decision of the appeal court of British Columbia being found in (1925) 35 B.C. Reports, at page 137, and the decision of the Supreme Court of Canada in (1926) 68 Supreme Court Reports, at page 4.

I should like to quote an extract from the judgment of Chief Justice Macdonald of the appeal court of British Columbia in this case. He said:

> In the early history of this province, the courts considered that the English Divorce Act was in force here, and that an appeal would lie only to the privy council. Since that time appeals have invariably been made to the privy council and not to the court of appeal of the province, so that that became the established or recognized rule and has remained such for many years unquestioned.

That, of course, leaves the only appeal from the trial court an appeal direct to the privy council. In every other province in which the courts have and exercise jurisdiction in divorce causes, there is an appeal to the appellate court of the province. For example, in Nova Scotia and New Brunswick I believe the divorce laws which they had as colonies before confederation remain in force, and there is an appeal. In Ontario, where there was no divorce law before confederation, this parliament by chapter 14 of 1930 declared the English divorce law as of July 15, 1870, to be in force in the province. And this parliament went further and gave the Ontario courts jurisdiction to hear divorce causes. which included, of course, the right to hear appeals. In the three prairie provinces privy council decisions have established that the English divorce law of July 15, 1870 is in force, and decisions of the provincial appeal courts within the last few years have established their own right to hear appeals. British Columbia remains the only province where there is no such right to hear appeals. In that province the court of appeal can hear appeals of all other kinds; for instance they can hear an appeal from a county court judgment in the sum of $100 or over, but they cannot hear an appeal in such vital matters as a decree dissolving a marriage, an order for the custody of the children of that marriage, or an order for alimony.

[Mr. Green.]

For some time this position has been recognized as unsound by the barristers and solicitors in British Columbia and by the benchers of the law society there. The law society at its annual meeting two years ago passed a resolution requesting that provision be made for appeals to the court of appeal in British Columbia, and the benchers of the law society on April 6 of last year passed the following resolution:

> That the benchers request that provision be made for appeals from divorce matters to the court of appeal in the same manner as in civil cases, and that copies of the resolution be sent to the Minister of Justice, Hon. Ian Mackenzie, and the Attorney General of British Columbia.

Now the provincial legislature cannot provide for such appeals because the British North America Act gives the dominion parliament exclusive authority in divorce matters, so an appeal is impossible unless it is provided for by this parliament. We are not asking that divorce jurisdiction be conferred on the provincial courts as was done in the case of Ontario, because our supreme court already has that jurisdiction. We are merely asking that the right of appeal be provided.

The question is of great importance. After all, the setting aside of a marriage is a serious matter; deciding as to the custody of children of that marriage is a serious matter; and yet in British Columbia a marriage can be set aside and the custody of the children determined without any right of appeal except to the privy council, which in the great majority of cases means no appeal at all. As a result I fear that our people think that divorces are easy to get; I fear that they do not give the serious consideration to the question of divorce which it merits. I suggest that it is not fair or wise that there should be no appeal in British Columbia when there is an appeal in all the other provinces exercising divorce jurisdiction.

I ask that the bill be passed, because I think it is really constructive legislation meeting a great need. It is put forward without any idea of partisanship, and, as I have said, simply to meet a condition which must be remedied. This parliament is the only body that can provide the remedy.

Hon. ERNEST LAPOINTE (Minister of Justice): Mr. Speaker, this bill has come before the house for second reading only this evening and it was introduced, I believe, only last Friday. My hon. friend has set forth very clearly his arguments in support of the bill, but I must say that, knowing this matter would come up this evening, upon investigation this afternoon the officers of my department told me that some representations

had been made by the legal department of the province of British Columbia in regard to this question. I do not know as yet what they are; I have not had an opportunity to consider them. So, unless other members desire to speak this evening, I should like to move the adjournment of the debate in order that I may be able to take a stand on the bill when it comes up again at the end of the week.

Motion agreed to and debate adjourned.

SUPPLY

The house in committee of supply, Mr. Sanderson in the chair.

ADMINISTRATION OF JUSTICE

Exchequer Court of Canada—Contingencies—Judges' and court officials' travelling expenses; remuneration to sheriffs, etc., printing, stationery, etc., and $150 for judges' books, $6,200.

Printing, binding and distributing court reports, $2,000.

Hon. ERNEST LAPOINTE (Minister of Justice): I may tell my right hon. friend (Mr. Bennett) that I just want to call this one non-contentious item, so that I shall be able to come in with my estimates later on.

Item agreed to.

DEPARTMENT OF SECRETARY OF STATE

Civil government—
Salaries, $299,264.
Contingencies, $86,760.

Mr. MacINNIS: Would the minister explain the details of this item?

Hon. FERNAND RINFRET (Secretary of State): This includes the salary votes of the Department of the Secretary of State and of the patent and copyright office, which have been merged, with contingencies appertaining to both departments. I may point out that there is a decrease in both branches. In the Secretary of State's department there is a decrease from 96 permanent clerks to 89; in the patent and copyright office there is a decrease from 90 to 83 permanent clerks. The same will be observed in other departments. This decrease is due to the fact that we have generally decreased the number of permanent clerks in the service in the different departments, and their work will be carried on by temporary clerks provided for by the contingencies vote. I may say that in the Secretary of State's department in addition there has been a slight decrease in the activities of the naturalization branch, due no doubt to the fact that there is always more work in that branch around election time. Probably there is also a slight decrease in the activities of the companies branch.

Mr. HEAPS: May I ask how many naturalization certificates were issued last year?

Mr. RINFRET: There were 24,334 in all sections, as compared with 22,469 in 1935, and a much larger figure in the previous year.

Item agreed to.

Miscellaneous—Patent record, $25,200.

Mr. BARBER: What is the reason for the reduction?

Mr. RINFRET: We did not spend the extra amount voted last year, so we decided not to ask for it this year.

Item agreed to.

International office for the protection of industrial property, international copyright union office and union for the protection of literary and artistic works, $2,700.

Mr. HEAPS: Will the minister explain what this vote is for?

Mr. RINFRET: This is our contribution to the international patent office and international copyright office in Berne.

Item agreed to.

To provide for salaries and expenses of the bureau for translations, $233,961.

Mr. RINFRET: This is the total amount for translation work in the several departments the translation work of which has been brought under the one bureau. The reason for the decrease is that certain senior translators have been superannuated and replaced by young newcomers who have passed their examinations and have been appointed at lower salaries.

Mr. HEAPS: May I ask if this bureau is now working satisfactorily?

Mr. RINFRET: I do not suppose the committee would expect a long statement, but I may say that there is much merit in this way of organizing the translators. This brings them all under the one control. That applies especially to the translators of Hansard and the senate debates, who formerly were busy only during the session. Now we can use their services throughout the year.

There are still some departments the translation work of which has not been brought under the bureau, but I may say that I have been in communication with the departments of Trade and Commerce, Labour, National

Defence and Mines and Resources, and I expect the translators of those departments to come under the bureau on April 1 of this year. The work has been quite heavy. We had the reciprocity treaty with the United States, which had to be translated in so many hours; we had conferences in Ottawa the proceedings of which had to be translated, and during the abdication crisis there were very important documents that had to be translated. I may also mention the reports of the inquiries that are held, which reports previously were translated outside the bureau in a more or less haphazard way. All the duties of the bureau for translations are now carried out methodically. May I point out that the translation of Hansard has been speeded up. Hon. members may have French or English translations of Hansard on the same day as the original transcription appears. In fact, there have been issues of Hansard where the English translation has been annexed to the original copy. The senate have asked us to deal with their Hansard. Their translation used to be delayed for weeks, but now it appears the day after the original copy is printed. All this is due to the fact that all the translators are under one head, which permits their being used to the fullest extent, and the work being distributed in a methodical way. In my opinion the bureau for translations is working very well.

Mr. BENNETT: It must be a matter of satisfaction to those who initiated the legislation to have now the stamp of approval of those who a few short months ago gave it their greatest condemnation.

Mr. McCANN: Are there any translators in the department of the minister connected with the translation service?

Mr. RINFRET: Yes; the bureau is in my department. I have one translator who, at the same time, is an editor in the patents department. He works under me, not under the bureau for translations. His work is done in a dual capacity. The same thing applies to a few clerks in other departments who act partly as translators and partly as editors.

Mr. McCANN: I see under an item passed a few minutes ago there is an amount of $3,000 for a chief translator acting under the Department of the Secretary of State.

Mr. RINFRET: That is the gentleman to whom I referred. His name is not in my mind, but he works in the patent branch as editor of the Patent Record.

Item agreed to.

[Mr. Rinfret.]

Expenses under the Naturalization Act, $20,000.

Mr. BARBER: Would the minister explain the item?

Mr. RINFRET: We carry it every year.

Mr. HEAPS: Is it carried for purposes of investigation?

Mr. RINFRET: It is for expenditures, printing of certificates, and expenses incurred in courts in different parts of the country. It is not used for investigation purposes.

Item agreed to.

Expenses under the Canada Temperance Act, $5,000.

Mr. BENNETT: What is the present position in regard to this item?

Mr. RINFRET: It is a small vote which is not used, but which is voted every year in case it might be needed. The Canada Temperance Act is now in force only in a very few remote parts of the country. But if a plebiscite were asked for from any such portion, we would have to carry it out. The amount has been voted from year to year, but we have made very little use of it.

Mr. HEAPS: Was anything spent last year on the item?

Mr. RINFRET: I am told we spent $1,500 on an appeal to the privy council respecting a case in Ontario.

Mr. BENNETT: What was the result of the appeal?

Mr. RINFRET: I am informed that the Ontario government withdrew the case, and therefore we withdrew the appeal.

Mr. BENNETT: What is the status of the county affected? What is its position with respect to the Canada Temperance Act? I was out of the country when the appeal was being carried forward. Hon. members will recall there was litigation as to whether or not the Canada Temperance Act was in force in a particular locality. What is the present position?

Mr. RINFRET: I am informed that in the counties of Peel, Huron and Perth the effect of the act was suspended.

Mr. BENNETT: There was litigation over it, if I remember correctly. What was the result of the litigation?

Mr. LAPOINTE (Quebec East): I believe there was a county court decision to the effect that the Ontario liquor law was more strict than the Canada Temperance Act, and that,

therefore, the former should prevail. So far as I can remember, however, this was not the decision of the higher courts. There was an appeal by the county of Huron, but the appeal did not proceed. For these reasons the matter would not seem to be very well settled. It is not clear as to which of the two laws is more favourable to temperance.

Item agreed to.

Public Printing and Stationery

Printing, binding, etc., the annual statutes, $8,500.

Mr. RINFRET: This is the usual amount voted for the printing of the annual statutes.

Mr. BARBER: I understand there are purchases of the statutes made throughout the country. Is any revenue derived from such purchases?

Mr. RINFRET: Yes; some copies of the statutes are distributed free to a certain list regulated by order in council, and some are sold. In 1935-36 the approximate revenue was $8,035, including statutes for that and previous years.

Item agreed to.

Canada Gazette, $23,000.

Mr. ELLIOTT (Kindersley): What is the circulation of the Labour Gazette?

Mr. DUNNING: The vote is for the Canada Gazette, not the Labour Gazette.

Mr. RINFRET: I am afraid I have not the figures showing the circulation. In 1935-36 the revenue amounted to $49,295.14, including advertisements paid by the public. I am sorry to say the king's printer is not here, and I have not the figures showing the circulation. Perhaps I could give them at another time.

Mr. HEAPS: Has the minister any idea how many people read the Canada Gazette.

Mr. LAPOINTE (Quebec East): All members of parliament.

Mr. RINFRET: I cannot say how many.

Mr. DUNNING: There are a great many interested parties.

Mr. RINFRET: It would be hard to tell in connection with any paper.

Mr. BENNETT: Could the minister give the committee any idea of the income and outgo in connection with this paper? Many discussions have taken place in this chamber as to whether or not it could be made a self-sustaining paper, and on one occasion the Secretary of State gave many details with respect to the matter.

Mr. RINFRET: I have the figures from 1930-31, which are as follows:

	Expenditures	Revenue
1930-31	$31,008 46	$71,197 14
1931-32	29,925 80	73,589 82
1932-33	24,023 04	73,835 72
1933-34	21,196 41	55,721 70
1934-35	20,943 82	47,256 76
1935-36	22,749 66	49,295 14

Generally speaking, the revenue is about twice the expenditure.

Item agreed to.

Plant—repairs and renewals, $10,000.

Mr. THOMPSON: What repairs and renewals does this item refer to?

Mr. RINFRET: This is for the printing plant. There is a reduction this year. A couple of years ago extensive expenditures were made to renovate the plant at the printing bureau, but this vote is to provide for any emergency which might arise.

Mr. BENNETT: Perhaps this might be an appropriate place to bring to the attention of the committee a matter brought to my notice by the custodians of documents in South Africa and Australia. These gentlemen tell me that they have been unable to secure a complete record of all our public documents which are issued from time to time, although they supply a similar record to us. Perhaps the best way to direct attention to this matter is to have it placed upon Hansard in order that those responsible may endeavour to remedy the existing difficulty. These countries are sending to us a complete record of all public documents published under the authority of their parliaments. They attach considerable importance to some of our documents which apparently they have not been able to get. It is possible they have communicated with the libraries instead of with the proper authorities, and I know they would greatly appreciate it if they could receive complete copies of all blue books and other publications authorized by parliament.

Mr. RINFRET: I thank my right hon. friend for his valuable suggestion. I shall read his remarks in Hansard and give them my best consideration.

Item agreed to.

Printing and binding official publications for sale and distribution to departments and the public, $40,000.

Mr. BENNETT: How much of this item was expended last year?

Mr. RINFRET: In 1935-36 the expenditures were $35,139.03 and the revenue amounted to $67,459.33.

Item agreed to.

Miscellaneous—To provide for the expenses of delegation to the imperial conference, 1937, $40,000.

Mr. BENNETT: I think this would be an appropriate moment to ask the leader of the government if he is in a position to indicate what will be the general matters that will engage the attention of the Imperial conference at its approaching meeting and what we might expect will be the attitude of the administration toward the problems that will have to be considered. As nearly as I can remember, this is the form in which the right hon. gentleman usually put the question in the five years from 1930 to 1935. If I have not put it as succinctly or as delightfully as he did, he will have to take it as having been put in that sense.

Mr. MACKENZIE KING: I shall try to follow my right hon. friend by giving the reply which, as I recall, he made to me. At that time he was in possession of the agenda of the conference and was perhaps able to give more detailed information. The agenda of the forthcoming imperial conference has not yet been prepared. This is a matter of consultation at the moment between the British government and the governments of the different dominions. As soon as the agenda has been definitely prepared, it will be made known simultaneously to the parliaments of the different countries.

Mr. BENNETT: I am glad the right hon. gentleman has adopted the answer which the one then occupying his position gave, because it adds lustre and distinction to the answers thus given.

Item agreed to.

Progress reported.

HOME IMPROVEMENT LOANS

PROVISION TO ENCOURAGE REPAIR OF RURAL AND URBAN DWELLINGS

The house resumed from Friday, February 5, consideration in committee of Bill No. 11, to increase employment by encouraging the repair of rural and urban homes—Mr. Dunning—Mr. Sanderson in the chair.

[Mr. Rinfret.]

On section 6—Conditions of loans.

Mr. DUNNING: Mr. Chairman, when the committee reported progress the other day, sections 6 and 8 had been allowed to stand in order that consideration might be given by the law officers to various suggestions which had been made by members of the committee. As a result of that consideration I hold in my hand amendments to these two sections, and for the convenience of the committee I arranged for them to be printed in Monday's Votes and Proceedings.

It is proposed to strike out paragraph (e) of section 6 and substitute the following therefor:

(e) no service, insurance or any other additional charges of any kind shall be made by an approved lending institution as long as the borrower is not in default.

Mr. MACKENZIE (Vancouver): I move accordingly, Mr. Chairman.

Mr. CHURCH: I would ask a question, Mr. Chairman, under paragraph (e). Suppose the owner of a property gets into some kind of default with the bank. Has the bank power to raise the rate up to 10 per cent, as the motor car companies do?

Mr. DUNNING: Our regulations at the present time provide for a rate not exceeding 7 per cent interest on arrears under such circumstances.

Mr. HAYHURST: Does paragraph (e) mean that no insurance will be placed upon the building?

Mr. DUNNING: Oh, no. The insurance referred to is not insurance with respect to the buildings but what is sometimes described by instalment finance corporations as an insurance charge on the loan. This paragraph provides that there must be no such charge.

Amendment agreed to.

Section as amended agreed to.

On section 8—Regulations.

Mr. DUNNING: The proposed amendment to this section will also be found in the Votes and Proceedings. It is to cover particularly the suggestions made for the improvement of the section by the leader of the opposition (Mr. Bennett), the hon. member for St. Lawrence-St. George (Mr. Cahan), and one suggestion made, I think, by the hon. member for Rosthern (Mr. Tucker). It is proposed to amend the section as follows:

That clause 8 of the bill be struck out and the following substituted therefor:

"8. (1) Subject to the provisions of this act, the governor in council may by regulation:

(a) prescribe the forms of applications for home improvement loans, notes, agreements, certificates and any other documents necessary or desirable for the effective operation of this act;

(b) provide that, in the event of actual or impending default by a borrower, an approved lending institution may, notwithstanding anything contained in section 6 of this act, with the approval of the borrower alter or revise by way of extension of time or otherwise, any of the terms of his agreement, and that such alteration or revision shall not operate to discharge any guarantee given under this act, and in the event of default by a borrower the legal and other measures to be taken and the procedure to be followed for the collection of the amount of the home improvement loan outstanding and the rate of interest to be charged on payments which are overdue;

(c) provide for the determination of the amount of loss sustained by an approved lending institution and the procedure to be followed in making claims in respect of any guarantee given under this act;

(d) prescribe tables showing maximum charges for loans of varying terms and varying methods of repayment;

(e) require reports to be made periodically to the minister by approved lending institutions;

(f) define for the purposes of this act the following expressions:

(i) "owner" with power to include as owners life tenants, persons holding property under agreements for sale or under long term leases and any other persons having rights approximating ownership;

(ii) "rural and urban homes" with power to include in such expression all such property as may reasonably be considered as part of a rural or urban home;

(iii) "repairs, alterations and additions";

(g) make provision for any other matters concerning which regulations are deemed necessary or desirable to carry out the purposes and intention of this act.

(2) Regulations made hereunder shall, when published in the Canada Gazette, have the same force and effect as if they had been included in this act.

Mr. MACKENZIE (Vancouver): I move accordingly, Mr. Chairman.

Mr. CHURCH: This amendment provides that the governor in council may make regulations covering the various matters described in paragraphs (a) to (f). Suppose the owner of a property has borrowed money from one of these shark loan companies, which charge anywhere from 20 to 40 per cent. Under this power of the minister to make regulations, is there any way by which such a man could give up the shark loan company and come in under this scheme?

Mr. DUNNING: I am afraid that there would be no opportunity under this scheme for an approved lending institution to take over a loan which had been previously made by another lending institution. Obviously that would create very great difficulties, and it would not be in accord with the spirit of the legislation, which is to provide employment through the improvement of homes. If a man had previously borrowed from some other lending institution, presumably that money is already spent; and we could not under this legislation make provision for taking over loans made by other lending institutions.

Mr. CHURCH: I think the minister might very well consider what I say in this connection. A large number of our industrial workers are out of work, and have gone to these shark loan companies. The minister will remember that last session he very kindly brought down a list of them and the rates they charge. Some of our industrial workers, after pleading with parliament for three or four years to do something, have finally gone to one of these shark loan companies and borrowed a small sum, perhaps fifty or a hundred or two hundred dollars, to fix up their property, put a roof on, fix the verandah or paint the house. Surely these men should be allowed to do what the farmer and the fisherman is allowed to do, namely, wind up their affairs with the private mortgagee and come under the government subsidized scheme. If you do that, I venture to say you will find a lot of people coming under this scheme who otherwise would not, and whose case ought to be considered.

Mr. BENNETT: I think there is some little difficulty in using in paragraph (f) the words "approximating ownership." I do not like to see that in any statute because it confers a power to define something which is wholly at variance with what is ownership, and to leave it to the discretion of any person to say that something "approximates" ownership is to invite a wide variation in the administration of the statute.

I have discussed the proposed amendments with my colleague from St. Lawrence-St. George (Mr. Cahan), who is not in his place to-night. They cover in a general way the suggestions which we made to the committee, except the suggestion made by the hon. member for Yale (Mr. Stirling) that there should be an annual report or an annual statement of the claims for losses on loans by the lending institutions. It will be recalled that the question was raised, When was this to be determined?

There is a conflict with the Bank Act that I did not mention the other day. It will be recalled that the Bank Act provides that it is the duty of the directors to put certain classes of loans in what may be called the bad debt

class. There is a special provision about it, and if these loans are in default and provision may be made for their renewals and extensions, it might come in conflict with that section; I have not had an opportunity of looking it up to see to what extent it might do so. I take it, however, although I am not quite clear on the point, that if there were any such conflict, this legislation would prevail.

There is one other criticism which I desire at this time to offer to the minister. To say that they shall pay nothing exceeding 7 per cent specifies a rate which is too high in legislation of this kind. Having regard to the fact that the interest is 3¼ per cent, I submit that provision of a rate not exceeding 6 per cent would be fair to everybody. It must be remembered that the lending institutions themselves make the selection, and they must be assumed to do so with care. To give them the right, when default does occur, to make a new agreement that would contemplate a payment not exceeding 7 per cent is too dangerous a power, having regard to the general influence that lending institutions may exercise upon their debtors. I should have felt happier if the provision had been of a rate not exceeding 6 per cent, which I conceive would be more in keeping with the action taken by the government in reducing the initial discount of the 5 per cent discount rate to 3¼ per cent.

Mr. DUNNING: I thank my right hon. friend, particularly for his latter suggestion, because it will help me in connection with the regulations to which he has referred. He will understand that the regulation with respect to interest on payments which are overdue is still the subject of negotiation, and his remarks in that regard, with which I entirely agree, will be helpful in arriving at a conclusion. I do not want to be too definite, but I think there is every hope of arranging for the maximum of 6 per cent instead of the maximum of 7 per cent.

With regard to the other point, approximate ownership, my anxiety was to have a broad enough power to ensure that nobody who is reasonably entitled under this legislation to borrow should be debarred from doing so. I agree with the criticism of the word "approximate," but it must be remembered that the power conferred by the legislation is on the governor general in council by regulation. The regulations will have to deal with a class of cases, not a particular case.

Mr. BENNETT: Quite.

[Mr. Bennett.]

Mr. DUNNING: And the lender, of course, has something to do with it. One admits that in connection with new and somewhat experimental legislation of this kind it is difficult to devise something which will cover all cases and at the same time not be general in terms. I suggest that we might try it as it stands. The law officers have given very careful consideration to it. With respect to the report to parliament, section 9 provides for a report. I do not think it wise specifically to include in it—

Mr. BENNETT: It does not say, "annual." That was the point which was raised.

Mr. DUNNING: It will be annual.

Mr. BENNETT: It does not say annual, I think.

Mr. DUNNING: Yes: "Shall annually prepare a report."

Mr. BENNETT: That covers it.

Mr. DUNNING: The point with regard to possible conflict with the Bank Act is dealt with, I think, by reason of the fact that this is a partly guaranteed loan; it does not fall into quite the same class as those which are dealt with under the section of the Bank Act to which my right hon. friend referred. In any case, if the committee of the house passes this legislation substantially as it stands, I think we can operate successfully under it during the year. We may and probably shall discover weaknesses in it. If such weaknesses develop I shall come here next year to tell the committee of the house frankly what they are and ask for amendments. I think, having regard to the experience of the last three months, the bill as now amended deals fairly well with all the situations that have arisen in actual practice.

Mr. BENNETT: The question of the use of words in connection with ownership is, of course, one of great importance. When one says "approximate ownership," it must not be forgotten that the word "ownership" in relation to real estate refers to a fee simple title, to a life estate, and to a lease-hold in interest, which is an estate for a term of years, and when one speaks of "approximate ownership," a 999-year lease was declared by statute in Great Britain on one occasion to be interchangeable in terms with a fee simple. But if we put it in at 30, 10, 15, 20 years, is that ample? I am not going to labour the point, but to have a regulation passed by the governor in council that a five year lease approximates ownership is stretching one's conception of the value of language in connection with estates in land.

Mr. DUNNING: That is dealt with under the previous wording, long term leases.

Mr. BENNETT: I know that, but I am using it as an illustration of what approximates ownership. What does approximate ownership? The other day the position of the squatter was mentioned. If the squatter has not been in possession for a sufficient length of time to prohibit by operation of law the statute of limitations being set up, he is nothing more than a person who may be ejected at any time by writ of ejectment. His squatter's rights can grow into a title only if he has had adverse and continuous possession for a period in excess of the period of the statute of limitation.

Mr. DUNNING: That is five years, is it not?

Mr. BENNETT: Twelve years: twelve years in the British Real Properties Act; in some of the provinces of confederation it is twenty years, and against the crown it is sixty years. Suppose a man has been in possession for thirty years of a piece of land belonging to the crown; the average citizen would say that that approximates ownership, but as a matter of fact he has no title and is subject to eviction by the crown the next day if it sees fit to take proceedings. I use this only by way of illustration. It does not matter to me one way or the other, except that I do not care to see the use of the words "approximate ownership" in a statute that affects the question of title to real property, because it is real property we are dealing with.

Mr. TUSTIN: I do not know whether this matter arises under clause 8, but I have been asked on several occasions whether, when a home owner goes to a bank and makes arrangements for a loan and then goes on and does his work, he receives the money from the loaning institution or whether the loaning institution pays the contractor.

Mr. DUNNING: It depends upon the nature of the arrangement. He can, if he wishes, do the business through his contractor and arrange for the bank to pay his contractor, or he may borrow money directly and pay his contractor.

Mr. TUSTIN: The reason I asked the question was that one of the members of the advisory committee for Ontario, giving an address in my home town last week, used these words: "When the banker is satisfied the applicant will be able to make repayment of the loan, the loan is granted. The work is completed and the banker pays the contractor. The householder does not handle the money."

Mr. DUNNING: That is one method of procedure. The other is also available.

Mr. ISNOR: I feel that the question raised by the hon. member for Broadview (Mr. Church) is worthy of consideration. I am a little fearful of the danger that may result in connection with the purchase of loans. In reading section 8, we must take into consideration paragraph (c) of clause 2. It is more far-reaching than merely the purchasing of loans. It could possibly mean the advancing of sums of money by business firms in large amounts such as could be made available only by large business institutions, and so would be discrimination in some measure against small business concerns. I draw that to the attention of the Minister of Finance because there is a danger there. Paragraph (c) reads:

"Lending institution" means any chartered bank and any other company authorized to lend money or to purchase obligations representing loans and advances of money.

The last part of that clause has, I think, a direct bearing on section 8. I would ask the Minister of Finance to bear that in mind when he is compiling the list of approved lending institutions. I would like to see inserted the words "or recognized" after the word "approved." That would overcome the possibility of large firms taking advantage of this lending scheme to establish a better line of credit, or, let me say, of a firm with large capital, at the expense of the government, being guaranteed to the extent of 15 per cent, being more generous in extending credit to its customers than otherwise they would be.

Mr. DUNNING: Mr. Chairman, an "approved lending institution" involves an examination, in advance of approval, of the institution and all the matters mentioned by my hon. friend. There is involved also in administration the necessity of continuous check by the Department of Finance with respect to applications granted by each lending institution. I appreciate the force of what my hon. friend says, and these matters will be borne in mind by the department in determining approval.

Mr. NEILL: I call the attention of the minister to the sixth line of paragraph (b):

—and in the event of default by a borrower, the legal and other measures to be taken and the procedure to be followed—

There is nothing to connect it with the first two words of the paragraph. The word "provide" should be added; otherwise you leave that suggested action up in the air. It should read:

—and provide, in the event of default by a borrower, the legal and other measures to be taken—

Mr. DUNNING: I should not care to debate the matter of language, when so many lawyers have had to do with shaping it. The intention certainly is that the words "provide that" with which the paragraph commences shall carry through to the end of the paragraph.

Mr. NEILL: It is not a question of law; it is a question of grammar. If you start with the words "provide that," and there is a comma, then it will read:

—provide that, in the event of default by a borrower—

If the first "that" was not there, it would be different. You have to carry the words "provide that" along. It lacks a verb. It is bad grammar.

Mr. CLARK (York-Sunbury): In the case of a lending institution being paid by the government, say 15 per cent, would the ownership of the notes be in the government or in the lending institution.

Mr. DUNNING: That is a matter of practice yet to be determined. Under the United States plan the notes themselves are transferred to the Department of Justice, presumably for collection by that department. We have not yet determined to follow that course. Regulations in regard to default and how the notes shall be dealt with are still in process of negotiation with the lending institutions.

Mr. BENNETT: The lending institution still has an 85 per cent interest in the note.

Amendment agreed to.

Section as amended agreed to.

Bill reported.

PRAIRIE FARM REHABILITATION ACT

Hon. J. G. GARDINER (Minister of Agriculture) moved that the house go into committee to consider the following proposed resolution:

That it is expedient to introduce a measure to amend the Prairie Farm Rehabilitation Act so as to constitute committees instead of one advisory committee, and to appropriate the necessary moneys for the continuance and extension of the work under the Act for the fiscal years 1937-38 to 1939-40 inclusive.

Motion agreed to and the house went into committee, Mr. Sanderson in the chair.

Mr. BENNETT: Perhaps the better course would be to have the minister give the explanation now with respect to the resolution, so that questions may be asked, rather than to enter upon a discussion before it is taken up by the committee.

[Mr. Neill.]

Mr. GARDINER: The Prairie Farm Rehabilitation Act is a short act passed in 1935. It was brought into being as a result of conditions which prevailed over a section of western Canada which includes about twenty municipalities in Manitoba, about one hundred and fifty in Saskatchewan and probably one hundred in Alberta, an area which has been affected by particularly dry seasons during the past seven years. The act provided for the setting up of an advisory committee. That advisory committee was to be composed of representatives of different organizations and corporations in Canada. The act provided also for the doing of certain work in western Canada, the Department of Agriculture, which under the bill was designated as the department responsible, acting on the advice of the committee which was set up under section 3. This was in order that certain things might be done, such as providing supplies of water for farmers attempting to raise live stock in that area and for tree culture, in order to protect lands against blowing, if possible, in certain areas; the promotion of strip farming; the regrassing of some of the lands that had been found unsuitable for wheat growing, and anything else that might be found in the interests of the farmers of that area or that might rehabilitate them as farmers.

In order to carry out the intentions of the act it was provided under section 8 that during the first year, which was 1935-36, a sum not exceeding three-quarters of a million dollars should be provided for expenditure in that area, and that during the succeeding four years a sum not exceeding one million dollars a year should be available for expenditure. Members of the house will recall that a year ago we voted $750,000 as the amount that would be available for expenditure. I may say that during the two years that have gone by less than $850,000 has been spent. The amount that was set aside for the first year was not exhausted, nor was the amount set aside for the second year. This was largely because of the fact that the work was in the experimental stage, and it was not thought wise to proceed more rapidly with the expenditure of money than our experience would warrant. Now, however, we feel that we have gained sufficient experience in the work to have more definite ideas as to what ought to be done and as to the amounts of money which may be necessary in order to carry out the original intentions of the act.

We also feel that in carrying out some of the work which is contemplated it will be necessary to have more than one advisory committee. The committee that was created

under the original bill advised on matters of general policy, but we think it wise to have, in some of the local areas, advisory committees that will be more familiar with what is being carried out in those areas and that can give advice which probably will be more advantageous to the department. Therefore we are suggesting that section 3 be amended in order to make it possible for us to have more than one committee and so that we shall not be confined to the appointment of the representatives of any particular organizations in forming such committees. Just in passing I may say that the members of those committees act without remuneration.

Then it is intended by amending section 4, to widen to some extent the work that may be undertaken under this act. The experience of those living to the south of the international boundary line in dealing with similar problems brought to our minds the thought that something similar might be done north of the boundary line, altered in some measure so as to meet the different conditions which exist in this country. In other words, we are hoping to make use in a larger way of the available water supplies and to provide artificially water supplies for the purpose of assisting in resettling people in this vast area. In addition to that, we hope to take advantage of the experience of the government of Saskatchewan in connection with what is called a community ranch, which is operated more in the form of a community pasture, available to the people of a considerable area to the north of the Saskatchewan river, and which is known as the Matador ranch. Similar experiments have been conducted in the states immediately to the south, though some of them have differed slightly from what has been done in Saskatchewan. Some experimental work has been done in Alberta in making available to farmers who are settled in the drought area larger areas for pasture, and we hope to enlarge our work to assist further development of undertakings of that sort.

The only other important amendment is the one having to do with the supply of funds for carrying out the purposes of the act. We feel that the government could accomplish more without the limitation of a million dollars which is contained in the bill. As the act now stands, a million dollars is the limit which may be spent in any one year, and we are asking for this change in spite of the fact that we did not think it wise to spend even three-quarters of a million last year or the year before. We think that with the experience we now have we can probably spend more than a million dollars during the year, if we can get such an estimate adopted by this house, and it is in order to provide more than that amount that I am asking for this amendment.

Those are the important changes to be made in the act if the present bill passes, and if any other information is desired, I shall be pleased to try to furnish it.

Mr. BENNETT: The problem with which the original legislation dealt is at this time one of extreme gravity to something like three hundred municipalities in the three western provinces. At the time the legislation was passed in 1935, the number of municipalities affected was not so large as it is now, but in the great provinces of Saskatchewan and Alberta practically 250 municipalities are affected by this legislation, a number of which, added to the municipalities in Manitoba, makes a total of nearly three hundred municipalities, a vast area in the three western provinces, that may be described as being almost incapable of producing crop at the present time. I believe that over a period of years these municipalities have not produced a crop. I have not the figures before me, so I am not in a position to state what period of time has elapsed during which they have produced no substantial crop, but certainly in Saskatchewan and in a portion of Alberta that period is in excess of five years. As to how long it may be in Manitoba I have no recollection, and therefore I cannot speak with any authority.

I rise to point out the seriousness of this situation. It is so serious as to have ceased to be regarded in any sense as a local matter. In the truest and largest sense of the term it is national. I have heard various suggestions made, some by men with a wide scientific knowledge, as to whether or not we can look for any rehabilitation of some of these areas. I have never been regarded as a pessimist with respect to these matters, but I confess to this committee that during the last twelve months I have become extremely apprehensive about the situation. That fact does not make it any more or less important; I merely record my opinion. When I last saw that area, in the great heat of the closing part of the month of July and the early part of August, it was calculated to depress the spirits of almost any Canadian who looked at it. The minister of that day closely investigated the matter, and came to his colleagues with certain recommendations and suggestions. As a result of the suggestions and recommendations, the statute chapter 23 of the statutes for 1935, was enacted. The minister now suggests that it is desirable to amend the statute by creating advisory councils in local areas.

I am bound to say that the minister of that day, supported as he was by those with whom he had conferred, was of opinion that it was wrong to endeavour to give a purely local bent to the efforts which were being made, and that in the largest and best sense of the term we should secure, as an advisory committee, representative men in all of the provinces who would deal with the problem as one common to all, and not as one which affected merely local interests in the municipalities concerned. If the government are of opinion that the best purpose will be served by setting up small advisory committees in the municipalities, it is not for me, without having the knowledge that they possess, to offer objection. But I do say this: I was struck at the time, and I still am, with the fact that it may be possible to create purely local interest as distinct from what I conceive to be in the truest and best sense of the term an interest which is widespread, which concerns the whole area, which is concerned, not with the fortunes of individuals but with the fortunes of the whole three hundred municipalities, and the large numbers of people residing in them.

Having in mind the purpose the then minister had in view when making the recommendations, recommendations which were not made until he had conferred with many people, we find the advisory council was to comprise certain members whom I shall indicate shortly. The committee was known as an advisory committee, and it owed its origin to the governor in council. One of the members was to be appointed chairman by the governor in council, and the committee was to consist of the following:

(a) One representative of the Manitoba grain growing farmers from the drought and soil drifting areas;

(b) One representative of the Saskatchewan grain growing farmers from the drought and soil drifting areas;

(c) One representative of the Alberta grain growing farmers from the drought and soil drifting areas;

(d) One representative of Saskatchewan livestock farmers from the drought areas;

(e) One representative of Alberta range farmers from the drought areas;

(f) One representative of mortgage companies of Canada.

That is an organization which, while having no statutory being, is a voluntary organization of mortgage companies of the country. In addition there were to be the following:

(g) One representative of the Canadian Bankers' Association;

(h) One representative each from the Canadian Pacific Railway Company and the Canadian National Railways;

(i) Two representatives from the Dominion Department of Agriculture; and

(j) One representative of the government in each of the provinces of Manitoba, Saskatchewan and Alberta.

The committee, hon. members will observe, is in no sense local. It was believed—and I think the belief has been wholly warranted by the results—that the committee would take a broad view of the situation, and that Manitoba would be deeply interested in what affected settlers in the drought and soil drifting areas of Manitoba or Alberta, and vice versa.

To set up a local committee in a municipality will, I trust, be a success. I think, however, it is only fair to point out—

Mr. GARDINER: May I say it is not the intention to set up municipal committees. Perhaps I should have explained that.

Mr. BENNETT: It is proposed to place a limitation upon the size, is it?

Mr. GARDINER: The intention is to maintain the committee now operating, and it is just possible that we may require in a ranching area a special committee of ranchers, or in a wheat growing area a special committee of wheat growers, to deal with questions peculiar to a particular part of the country.

Mr. BENNETT: The very reasons I have given are responsible for the personnel as I have read it. It was felt that there was a danger of self interest dominating judgments with respect to policies, and that the wisdom and experience of men of divers occupations concerned with areas some of which were fit only for grazing and ranching, and some of which were fit for farming, might result in the formulation of plans which would be more conducive to the well-being of the whole.

I make these statements only because I would hesitate to support any proposal which might bring about a measure of friction between the central committee, to which I have referred, and any committee which might feel a deep and abiding concern about one matter, and one only. That is, you might have a committee which would be concerned only about the farming area, and another only about the ranching area, and you would have the age old struggle as to what constitutes a purely ranching area or a purely farming area. For instance, I think there is no difficulty to-day in getting at least seventy-five per cent of people affected to say that areas which were opened for agricultural settlement never should have been so opened, and that they should have been retained as ranching lands. The problem is not one which is wholly singular to Canada. It has arisen in other countries as well. I believe it has arisen in Australia. I suggest that the

danger of a conflict between what I describe as the national interest dealing with the national problem and the personal interest dealing with the purely domestic or local problem is one which must be ever present.

I assume the government is taking discretionary authority, and does not make it in any sense obligatory that the committee should be set up, because I apprehend that if it were obligatory that it be set up, there might be conflict such as would not be beneficial to the interests of any.

There comes then the question as to the measures to be taken. I for one at the proper time would like to hear a complete statement by the minister as to what has been done and what he hopes may be done. If there is to be provision in the appropriation bill, that would seem to be the appropriate time to make such a statement. I confess that in looking at the situation from my angle I have been a little depressed, and have found it most difficult to get much encouragement from any reliable source as to the method which can be adopted to bring about a solution of this difficulty, short of providence once more smiling upon the land with steady rains.

Mr. DUNNING: A change in the sun spots is said by the Smithsonian people to be our best hope.

Mr. BENNETT: Well, changes in sun spots, as indicated by the Smithsonian institute, would, I suppose, involve spelling the word s-o-n and attributing the changes to the present government. But, be that as it may, I see nothing short of that, at the moment. Impounding water has its merits, but there must be water to impound. That is the difficulty. While I was absent from this country I took the trouble to look at efforts made to impound water in one of the dominions I visited. In that instance this was done for the purpose of watering cattle, and I am bound to say they had supplies of water that I had not seen impounded in this country.

The question of making available for farmers the waters in our rivers is one which received the attention of the advisory committee which acted last year, and I believe there are certain recommendations to which the minister will no doubt refer when the appropriation is before parliament. I am bound to say some of the recommendations contemplate an expenditure so vast as to make it almost inconceivable that one would suggest it. There is a limitation from the economic standpoint of the amount which may be expended, having relation to the benefits to be derived therefrom.

Mr. DUNNING: That is the joker.

Mr. BENNETT: If the information which I have received can be relied upon, suggestions have been made for expenditures which bear no relation at all to any possible value that the land could have after the expenditure has been made, unless you place upon the land a value that far transcends any suggested value I have heard of in my time.

I am deeply interested in this matter. When the proposals came before us in 1935 they followed the drought of 1934. When that statute was being prepared, it was quite apparent that we were going to have a dry season in 1935, dry from the standpoint not of lack of rain, but of lack of moisture from snow. There was no accumulation of waters resulting from melting snow and the impounding of it in any part of the country. It is not a matter of importance, but I cannot say that I view with great approval the question of authorizing expenditures in excess of $1,000,000 a year. One million dollars a year is a substantial sum of money. I thought possibly the minister was going to suggest that he was going to amend the statute by striking out the provisions with reference to any period beyond this year and to make in the estimates such appropriations as experience warranted in the light of the knowledge which he would then possess. The statute, as it is now, reads as follows:

> For the purposes of this act the sum of seven hundred and fifty thousand dollars shall be appropriated and paid out of the consolidated revenue fund of Canada during the fiscal year 1935-36 and for each fiscal year for a further period of four years a sum not exceeding $1,000,000 per annum as may be necessary to continue and extend the work undertaken under this act.

I understand the minister to say that he thinks $1,000,000 is a limitation that should not be imposed upon the expenditures contemplated by the act. He is in possession of information that induces him to believe that he can usefully expend over $1,000,000. In view of the position taken by the leader of the government with reference to the absolute necessity of including any such appropriation in the supply bill, I suggest that instead of including it in this bill, which would be superfluous, expenditures be authorized up to March 31, 1938, at a figure which the minister may regard as being reasonably satisfactory, having regard to the knowledge which he possesses. In view of the position taken by the government as to the desirability, nay the necessity, from their standpoint, of any provision of this kind being included in the appropriation bill, which we refer to as the estimates when before the committee of the house before being

embodied in the bill, it would perhaps be desirable to repeal this section in its entirety and make provision for a single year. The government could then adopt the policy which they urged strenuously in days gone by and ask for an additional sum of money in the light of the experience derived from the operations of the past year.

I hope, when the appropriation is before the committee, the minister will prepare himself to give us as complete a statement as possible of what has been done. I say this because I believe in every part of Canada and in many parts of the world eyes are being directed to what is being done in western Canada in an effort to bring back these lands to their former fertility. For instance, this matter is of tremendous importance to this province.

Mr. DUNNING: To our whole economic structure.

Mr. BENNETT: On one occasion I said that there was not a citizen of this country who was not interested in it, and I still believe that to be true. When the appropriation is before the committee, I hope the minister will have prepared himself to make as full a statement as the facts warrant with respect to what has been done and with respect to the possible results of the efforts that may be made. For one, I would greatly appreciate it.

I think there are many people in this country who are deeply concerned about the problem which arises from the fact that about three hundred municipalities in western Canada are suffering from a lack of moisture to such an extent as to make farming operations not only unprofitable but impossible. In many instances this condition has compelled the rancher to move his herds from the areas affected. I can conceive of no problem at the moment that is of greater importance to Canada. The government with which I was associated was responsible for initiating this movement and we are perhaps more anxious than one can readily understand to see that some results accrue from the efforts that were initiated and carried out with small expenditures. I am advised that it is well that these expenditures were not larger for this would involve the loss of the moneys which might have been expended for that purpose.

I am not unmindful of the fact that south of us there exists a situation not unlike our own. Although it has existed for a shorter period, it has been acute. The methods adopted there to deal with the situation are similar to those we have used. Consideration has been given to strip farming and to the question of the cultivation of certain grasses. In the desert areas of one of the dominions I found that they have a particular kind of grass which has been found exceedingly valuable. I made inquiry of the Department of Agriculture with respect to it, and I was informed that it would make an excellent binder and is of fair nutritive value. I cannot say whether it would bring about any satisfactory results in a soil such as ours, which is largely alluvial as compared with that of the other dominions.

Hon. members should visualize a situation in which the grass binder which covered this area has been cut to pieces by man's efforts. The soil has just become like talcum powder. When exposed to wind it blows about like snow on a winter's day. I saw one farm, which at one time produced the largest quantity of wheat per acre in that locality, covered with great drifts of earth as high as the desk in front of me. There were no visible crops and there had been none for years. How this situation is to be met is a problem that faces the government of this day. Something must be done to recover the economic strength and the fortunes of the people who occupy this country. At one time these people had good homes and fine outbuildings, and they thought themselves to be in circumstances beyond the possibility of any disaster that might come to them in their lifetime. As the minister has said, some of these people are to-day on relief.

Mr. DUNNING: A great number of them.

Mr. BENNETT: A great number of them. Under those circumstances anything we can do by timely suggestion, by support of any action to strengthen the hand of the government in dealing with this problem, we shall do, not only because it is our duty to do it, but because we all realize how important is the problem from the standpoint of the maintenance of the integrity of this country.

Mr. LEADER: Mr. Chairman, I feel that I should seize this opportunity to offer a few remarks in regard to conditions which prevail in western Canada. I feel that the magnitude of the terrible disaster which has overtaken that portion of our dominion cannot be too often impressed upon this house, and I believe the people of western Canada will be very grateful indeed for the remarks which have been made to-night by the right hon. leader of the opposition (Mr. Bennett).

While I do not live in the dried-out area, yet it is coming pretty close even to Portage la Prairie. While we had a crop last year, one did not need to go over fifteen miles west before one ran into the dried-out area. I had the opportunity to drive through that

dried-out portion of Manitoba two years ago, and to see for myself the conditions that exist there, and so true is the picture which has been painted by the right hon. leader of the opposition that one's imagination can scarcely grasp it. One has to see that country for oneself. A person will drive hundreds of miles and not see a green shoot anywhere. Even the leaves on the trees are dead, and the shrubbery along the road has died off. Even the gophers and the grasshoppers have left those districts, for want of something to eat.

As a farmer and from my experience as a live stock breeder, I should like to suggest to the minister, when he brings down his legislation for the rehabilitation of that area, to have some regard also for the live stock industry and what it means to that part of the country. We must all recognize that wheat growing in a portion of western Canada must give way to the raising of live stock, and the remarks I want to make to-night bear especially upon the beef cattle industry.

I assume the government is going to make some expenditure in providing capital for the dried-out area, and I want to impress upon them the necessity of procuring good stock, especially good sires. The quality of our live stock has depreciated during the last seven or eight years, and there is a reason for it. People have not had the money to buy good sires. At the recent cattle-breeders' meeting held in Regina, the prevalence of scrub bulls which infest western Canada, and especially that dried-out area, was declared to be alarming, and the cattle breeders are asking the government to furnish more money so that the farmers may be able to procure better sires and to build up a better quality of cattle. Realizing the possibilities of the British market for good cattle and the possibilities of the American market—we know what these markets demand because we have men both in the United States and in Great Britain whose business it is to find out what the people demand, and I am aware the officers of the department know the quality of cattle that these markets demand—I believe it is only good business on the part of the department to see, when they are building up the live stock industry in that devastated area, that any money spent in that direction will be spent especially for the purpose of procuring good sires. I want to impress that upon the minister and upon the committee to-night because, from my experience in the business for a good many years I know the value of good sires, and I know what will happen to any live stock grower if he persists in using poor ones. The government, I understand, realize that the farmers must desist from wheat growing and that facilities must be provided for rearing live stock, and I say that facilities must be provided because they do not exist at the present time.

Owing to the drought and other conditions, such as draining the country, we find that there is not enough water even for the animals. The government realizes this, and is providing dugouts, damming up streams, and conserving the water supply of that area. This is an indication that they intend to rehabilitate the live stock industry in the area.

Just before resuming my seat I would again impress upon the minister the necessity of providing good sires, and sires of the proper beef type if any pretence of raising good beef cattle is being made.

Mr. COLDWELL: Mr. Chairman, might I suggest to the minister that when he brings down his legislation for the rehabilitation of the prairie farms, he be prepared not only to tell the house what has been done and what it is proposed to do, but that he give the house a survey of the actual conditions which exist and of the problem which really arises out of those conditions. This is very largely a new House of Commons, and although in the last house very much was said about the conditions then arising in western Canada, this House of Commons is unfamiliar with the problem. Moving around eastern Canada I find that people do not appreciate the vastness of the area which is affected and the tremendous problem which faces not merely western Canada but the whole of Canada because of conditions in the prairie provinces. Very few members can realize an experience which I am sure the Minister of Agriculture has had as well as I, of driving for a whole day across a couple of hundred miles of territory in Saskatchewan, and during the whole day not seeing our radiator caps except occasionally through the dust that was caused by the soil erosion. Yet people are living there under such conditions.

The leader of the opposition said that in some parts there has been no crop for five years. I know of districts that have had no crop for seven years. I do not believe, however, that all these lands are by any means lost. There are areas—I do not think they are very large—where the top soil has drifted away, and where the erosion has gone to such an extent that you will see holes six and eight feet deep blown out of the surface. But, as I say, those areas are, I think, comparatively small. If proper steps are taken,

I believe the country can be largely rehabilitated, but in my opinion the rehabilitation will involve not only a land rehabilitation plan but also a resettlement plan. When the minister brings down the legislation, might I suggest that he give us some of the figures from the recent soil surveys which have been made in our province. The university of Saskatchewan has done a great deal of work along these lines, as the minister told the house the other afternoon, and we know something of the soil constituents, of the moisture deficiency, of the loss of fibre, of the future possibilities of that vast area comprising over three hundred municipalities, now suffering from various degrees of drought. If we are to consider this measure intelligently, we should have that background. Not only has the minister the required data available, but, as the head of a government in Saskatchewan during several recent years, and with his long experience of administration on the prairies, I do not think there should be anyone better fitted than the present Minister of Agriculture to give the house authentic information. I believe that we should have this information and that the people of Canada, through the minister, should be informed of the condition that really faces us, because, like the leader of the opposition, I have been sometimes depressed and very gloomy concerning it.

When I went west last summer, I drove through the United States, and for a thousand miles from Minneapolis to Regina. As one saw the crops withering, and realized that one could go another six hundred miles west and south of Regina and see the same condition everywhere, one wondered what was going to become of the country that appeared to some of us twenty-five years or more ago as among the most beautiful pieces of prairie land which could be found anywhere in the world. I think it would be not only interesting but useful to the house to have that information, because men and women in the stricken area are suffering; children too are suffering. As I said the other afternoon, the schools are sometimes cold. We are told authoritatively that last winter for days on end some schools did not have fuel enough to keep the temperature above freezing point. Teachers are working for ten dollars a month. There are people on the farms who have not seen much in the way of money for many months, indeed for years, and there are people without proper clothing. Although the people of eastern Canada have responded splendidly to the appeals which have been made, and we express to them our thanks whenever we get the opportunity, nevertheless that is not going to solve the problem. The problem remains unsolved, and I suggest to the minister that when the legislation comes down, it would be well for this house to have presented to it a clear picture of the problem in western Canada as it affects the entire dominion. Incidentally, I do not think it can be solved in a short time; a long range program will have to be inaugurated by this parliament.

Mr. GARDINER: I do not want to attempt to shorten the discussion, but I should like to take advantage of the suggestion made by the leader of the opposition, by the hon. member for Rosetown-Biggar, and also by the hon. member for Portage la Prairie, to say that I intend to move this bill to second reading for Thursday, and I shall attempt between now and Thursday to prepare for the house not only a review of the situation as we know it in the department and as I knew it in the province before I came to the department, but also a review of what past governments have spent in that country, and, through past governments having made these expenditures, of what people in other parts of Canada have really done in order to assist in rebuilding not only the soil of that country but the morale of the people themselves. It would be good for all of us to have a complete picture of that side of the whole experience. If, after that is presented to the house, there is not sufficient information to form a background for any discussions that it is desired to have of the whole problem, another opportunity will arise, as was suggested by the leader of the opposition, when the estimate is brought before the house setting forth the amount of money the government desires to make available for expenditure in that area this year.

With regard to the suggestion of the leader of the opposition, I wish only to say I am a little afraid that setting up a sum for one year without anything in the form of a statutory provision for an expenditure in at least two succeeding years would not be an improvement on the present act.

Mr. BENNETT: You would be just as well off.

Mr. GARDINER: Well, I would rather see no definite limiting dates at all for the time being. I may say that the United States—although I speak from memory I think I am correct—is dealing with an area of country which is not materially greater than the area which is affected in western Canada; perhaps its situation has been a little more serious in some years than it has been in western Canada, but the area is not materially larger—

Mr. BENNETT: More densely settled.

Mr. GARDINER: More densely settled, yes, and the United States government is providing $500,000,000 to be spent over the next ten years. That is $50,000,000 a year. Of course, I do not suggest that the Dominion of Canada can even think of spending a similar amount of money, nor am I suggesting that that amount could be spent to advantage in western Canada at the present time. I am stating the fact only in order to indicate to the committee that there is hardly a limit to the amount of money which might be spent in dealing with the problem that exists there. As to the amount which can be spent, and spent effectively, that is another matter. I should like to be in a position on Thursday next to present to the house all the facts that we have had and the picture as we see it, and also to indicate to the house something of our plans to deal with the problem.

Mr. CHURCH: The minister presides over a department that is spending $7,500,000 on commissions and committees. Coming from the prairie provinces, he is very fond of this committee and commission business, but I may tell him that in the United States, with 130,000,000 people, similar work is handled by one man only, Mr. Hopkins, and they did not have the bungling and muddling that have gone on in the last six months in connection with the administration of this particular farm rehabilitation act. I have heard and read a good deal about it; it has been very badly handled by those who have had charge of it in the last year. The minister now proposes to have a vaster committee system than before to handle this vote. Everyone wants to see that the poor people on the prairies who have suffered shall get every possible assistance. It is to come, no doubt, out of the revenues of the consolidated fund and income derived from the industrial provinces of Ontario and Quebec, which pay about eighty per cent of the taxes.

Hon. members will recall the rosy picture which was painted by the minister in the last few days of last session, when he indicated that everything was going to grow like the flowers upon the prairie. His committee of one hundred will soon expand to two hundred. This committee system, as I see it, is against the whole principle of responsible government. This is a department which is spending seven and a half million dollars for deputy ministers and their apostles to go all over this country from coast to coast. I think the time has come for us to get back to responsible government instead of this government by committees inside and out. Why does the minister not look around the country for another famous dynamic figure like Mr. Purvis who was to get all the unemployed on the payrolls in the industrial cities and has yet found no jobs. As one who comes from Toronto, an industrial city, I believe—this is a protectionist doctrine—in helping these unemployed to the utmost credit of the country, but let us help these poor people on the prairies too. I believe in equality of treatment. Let us play the game fairly, as the hon. member for Parkdale (Mr. Spence) said the other night. He always plays the game fairly himself, and he knows a great deal about agriculture. The time is coming when this farm rehabilitation scheme must be applied to all the provinces; I would not limit it to the prairies, although I would give them every support. But last summer I saw farmers in the province I come from, when the temperature was 108 to 110 degrees, suffering very nearly as much as those on the prairies.

There should be an end to all this committee system. I am sick and tired of the way in which this parliament is appointing commissions and committees, and the next year we get a report and we find it is not as rosy a picture as has been painted. We see the mistakes that have been made in rehabilitation schemes in the United States. I fail to see where the new system of committees, we do not know how many, will produce any better results than the old. There should be equality of treatment; the minister's department should look after the other provinces where farmers are suffering in much the same way as they are in his own province.

Mr. TOLMIE: Would the minister kindly outline the operation of a community cattle ranch, as carried on at the Matador, I think he said.

Mr. GARDINER: The Matador ranch is situated in the bow of the Saskatchewan river northwest of Moose Jaw. At the time that territory ceased to operate as a ranch the provincial government took over the area, fenced it and put a man in charge, and the people of the community round about put their cattle in, paying a fee of so much a head. I understand that ranch has paid more than the running expenses; it has cost the government nothing from the time it was started. It has given accommodation to the people of the surrounding area for pasturing their cattle, relieving them of the overhead for maintaining and carrying extra lands themselves. Anything that is done along that line will naturally have to be done in cooperation

with the provincial governments, because they now own the lands and control the operation of them. Anything done would be done by the province, probably with some assistance from Ottawa in the way of direction and otherwise in connection with the stocking.

Mr. BAKER: What is the size of this area?

Mr. GARDINER: About three or four townships, I think. It is irregular in form, the river forming the southern boundary. A township contains thirty-six square miles.

Mr. TOLMIE: Is that ranch growing its own hay and winter feed?

Mr. GARDINER: Well the stock is mostly taken out in the winter and taken home by the farmers. The stock belongs not to any one person but to scores of persons round about, and they look after putting up the feed for the winter.

Mr. NEEDHAM: I should like to ask the minister when bringing down this report to have in mind the enormous wealth which those prairies have produced during the last thirty-five years. I say that for the special benefit of our comrades from Ontario. Had the west not poured out that great wealth, there would have been very little manufacturing in Ontario.

Mr. BLACKMORE: I should like to say a word to encourage the leader of the opposition (Mr. Bennett). He does not need to worry about that great move he made in introducing the prairie farm rehabilitation scheme. There is abundance of water, especially in the foothill areas on the east side of the Rocky mountains. There is great opportunity for storing that water; the possibilities seem to me to be well nigh limitless. I should like to commend the Minister of Agriculture (Mr. Gardiner) for his ambition in reaching out and setting no limit within reason to the amount of money which he will spend as he deems wise. There are tremendous possibilities. We should remember this also, that although we have not been in this country long enough to be able to be certain, it appears that the weather goes in cycles. In my constituency we have had great scarcity of moisture during the last several years until we began to think we were deserted entirely by the deities controlling precipitation. But now we have more snow there than we know what to do with, and it looks as if we are going to have abundance of moisture in the coming season. So I feel that we need not be greatly alarmed by this talk about an insoluble problem. If we go at it in a systematic, persistent way it will be solved. The prairie farm rehabilitation scheme is a good one which will give excellent results in the days to come.

[Mr. Gardiner.]

Mr. QUELCH: In dealing with the problem of drought, it is well that we recognize at once that this is a permanent or at least semi-permanent condition in large areas of western Canada. A great mistake is made in considering it a temporary state of affairs, one that will right itself as soon as more moisture becomes available. When we consider that these conditions existed many years ago, and that year after year reports consistently warned against the danger of these dry areas being opened for settlement, we must change our opinion on this matter. In spite of all these warnings these areas were thrown open for settlement by the federal government, and owing to the continuous drought and the loss of fibre in the soil a very serious condition prevails in that part of western Canada, a situation so grave that it is entirely beyond the ability of the western provinces to cope with. Many people feel that it is largely a western problem, and therefore we have no right to expect the federal government to deal with it in its entirety. But as I have already pointed out, report after report by government engineers and surveyors classified these areas as unsuitable for grain farming. Therefore, as the federal government were in charge of the natural resources at the time this land was opened up for settlement, they must assume a large share of responsibility for the serious condition that exists to-day.

It might be of interest to read into Hansard a brief history of these earlier reports, taken from a Report on the Rehabilitation of the Dry Areas of Alberta and Crop Insurance, drawn up by a committee of the Alberta government:

> In 1901 the population of the three prairie provinces was approximately 420,000, with 5½ million acres under cultivation. From 1901 to 1911 there was a rapid influx of settlers, with 1911 being the peak year. Previous to 1906 there had been no invasion of what is known as "Palliser's Triangle" by the grain farmer, but from this time on there was a continuous increase in settlement within the triangle, particularly after 1911, and at this point it may be well to review briefly the story of Palliser's Triangle and some of the geology and climatology of the short grass plains, because much of the tragedy of prairie settlement is associated with this area and the problem of its use is one of the most important to be faced by governments, both federal and provincial. During the years 1857 to 1860 Capt. John Palliser, accompanied by Doctor Hector and others, was commissioned by the British government to explore "that portion of British North America which lies between the northern branch of the river Saskatchewan and the frontier of the United States, and between the Red river and the Rocky mountains, and to record the physical features, nature of its soil, its capability for agriculture, the

quantity and quality of its timber, and any indications of coal or other minerals." As a result of his explorations Palliser divided the country between the Laurentian Shield and the Rocky mountains into two parts, the "fertile belt" and the "semi-arid desert." The fertile belt was the wooded and park area, while the more or less arid desert was the treeless prairie or "true prairie" as he called it. Following his survey of this area, Palliser sketched his now famous triangle, which is more nearly in the shape of an irregular pentagon. This triangle at its base on the United States boundary extended from Turtle Mountain in Manitoba to a point near Waterton in Alberta on the west and then northwest to the old Bow Fort on the Banff highway. From there the line ran northeast to Olds and then almost due east along the 52nd parallel to a point south of Saskatoon, and from there southeast to its junction with the base line on the 49th parallel at Turtle Mountain. From the map it will be seen that this triangle took in more territory on the west than was justified, but in the main it corresponds to the dry area as we know it to-day. In his daily journal as he explored the region, he often mentioned that sloughs and creeks were dry and that he had difficulty in getting water for his horses and that pasture was very scarce in many parts. Palliser gave it as his opinion that the northern fertile belt was well suited to agriculture and would maintain a farm population, but that the area within the triangle was unsuited to agricultural settlement. Speaking more particularly of that portion of Palliser's Triangle which lies in south Saskatchewan, Hind (11) in 1860 said, "No tree or shrub or even willow could be seen in any direction from our camp (near Moose Jaw Forks) . . . the country was an undulating, treeless plain, with a light and sometimes drifting soil, occasionally blown into dunes, and not in its present condition fitted for the habitation of civilized man." Prof. John Macoun (19) said in 1870, "There were at least 400 miles from Moose Jaw where there were no trees and scarcely a shrub. . . . In 1879 I found dried and withered grass . . . in 1880 there were dried creeks on each line of travel . . . and again in 1894 the country was drying up, lakes were disappearing, many settlers were leaving the land. Nearly all the lakes and streams on the prairie had dried up and ceased to flow. . . . In all my explorations so far we have found the country extremely dry." This statement is all the more interesting because Macoun had previously taken exception to some of the estimates concerning the dry area made by Palliser. Later on, in 1904, when reporting to the British Board of Trade, Prof. Jas. Mavor (21) stated that the area approximating Palliser's Triangle was mainly suitable for pasturage and to a very limited extent for wheat.

The foregoing are the most important of the early statements made concerning the use to which a large area of western Canada should be put. The accuracy of those statements is a matter of record to-day as well as the results of not paying closer heed to the advice they contained. These early records very effectively answer a mis-statement that is frequently made to-day, namely, that the climate of western Canada has changed and is becoming more dry as the years go by. This is definitely not so.

I just read these statements, Mr. Chairman, to show very clearly that various reports which were made in the past stated that this land never should have been opened to settlement, that it always has had a very dry climate. Last session the Minister of Immigration and Colonization questioned my statement with regard to reports which had been made to the government regarding the drought area in the vicinity of Acadia, so I asked for an examination of the surveys made at that time, and I received this reply:

I am advised that upon examination of the reports of the surveyors who subdivided lands within the district of Acadia, and in particular townships 23-32, ranges 1-14, west of the fourth meridian, it is found the southerly two-fifths of this area, townships 23 to 26, comprising the most of the southeastern portion, was subdivided in 1883 when the main line of the Canadian Pacific railway was under construction. Of the fifty-six townships involved, twenty-three were reported as suitable for agriculture (settlement or tillage), sixteen for grazing, five for agriculture or grazing, and twelve for neither, but the description would indicate grazing rather than agriculture.

It appears therefore that fifty per cent of the area was rated for agriculture, with the percentage a little higher in the eastern portion.

The province of Alberta was formed in 1905.

The area from townships 27 to 32 was subdivided in 1905 in a very dry season. Of the eighty-four townships fifty per cent was rated as too dry and unproductive; thirty-seven per cent was rated for grazing and, given sufficient moisture about thirty per cent was conceded for farming.

Yet these areas were thrown open to settlement, and to-day we see the tragic conditions which have followed that settlement. It has been stated that in some districts there have been no crops for the last five years and that in other districts there have been no crops for seven years, but we find that in crop divisions No. 3, 5, and 7, relief has been paid every year since 1918 because of drought conditions. Again I should like to quote from the report on the rehabilitation of the dry areas:

Crop district 3, 5 and 7 in Alberta lie within what might be termed the permanent drought belt of the western prairies because some part or all of these districts is affected by drought during a great portion of the time... Each year, since 1918, the taxpayers of the province have been called upon to provide relief for dried out farmers in this area in varying amounts. The sum total spent for relief by the province in this area in the 17 years since 1918, is approximately ten millions of dollars. This would indicate that this area is a permanent fringe area in the economic sense and unless some reorganization takes place, it will continue to be a liability to the taxpayer of the province.

There are quite a few questions I should like to ask the minister, but I shall leave them until the estimates are brought down. I just want to stress the point that drought is really a permanent condition. There is no use in hoping that a change of climate will take place in the near future and bring about a change in these conditions, because we can go right back to 1857 and find that we have had to face this problem ever since that time, so it is not likely that these conditions will change within any short period.

Resolution reported, read the second time and concurred in. Mr. Gardiner thereupon moved for leave to introduce Bill No. 18, to amend the Prairie Farm Rehabilitation Act.

Motion agreed to and bill read the first time.

SUPPLY

The house in committee of supply, Mr. Sanderson in the chair.

DEPARTMENT OF AGRICULTURE

Subsidies for cold storage warehouses under the Cold Storage Act, $44,896.65.

Hon. J. G. GARDINER (Minister of Agriculture): The Cold Storage Act, as hon. members know, provides that when a cold storage plant is constructed according to the regulations laid down by the department, which cold storage plant is to be made available to the public, the federal government will pay thirty per cent of the cost, and the payment of that thirty per cent is spread over five years.

Mr. HEAPS: Cost of construction?

Mr. GARDINER: Yes, cost of construction. The payment of that thirty per cent is spread over a five year period. This money is to provide for the amounts that may have to be paid under the act.

Mr. HEAPS: Is that a permanent provision in the act?

Mr. GARDINER: Yes.

Mr. HEAPS: That is, until the act is changed, governments will always provide a thirty per cent subsidy for the erection of cold storage plants?

Mr. GARDINER: Yes, so long as the government leaves the act on the statute books.

Mr. COLDWELL: The reduction is due to the fact that some subsidies have expired.

[Mr. Quelch.]

Mr. GARDINER: The real reason is that at this time of the year it is almost impossible to estimate the amount which may be necessary. In other years, when the session has run on until the month of June, we have followed the practice of bringing down supplementary estimates. This vote is identical with the one passed a year ago, but the additional amount was covered by a supplementary brought in later in the session.

Mr. HEAPS: How much was actually paid out in the last fiscal year?

Mr. GARDINER: In round figures, $84,000.

Mr. HEAPS: Why is only about half that amount provided this year?

Mr. GARDINER: For the reason I gave a moment ago. It is impossible at this time of the year to estimate exactly how many applications will be made throughout the year. Later in past sessions we have been able to estimate more nearly the amount, and have brought down a supplementary to cover it.

Mr. THOMPSON: How many cold storage plants are being operated in the different provinces?

Mr. GARDINER: The plants operated in the provinces are as follows:

Prince Edward Island	5
Nova Scotia	12
New Brunswick	2
Quebec	8
Ontario	36
Manitoba	1
Saskatchewan	4
Alberta	2
British Columbia	22
Total	92

The total subsidies are as follows:

Prince Edward Island	$ 39,202 05
Nova Scotia	833,578 67
New Brunswick	57,773 10
Quebec	100,136 19
Ontario	605,200 60
Manitoba	9,600 00
Saskatchewan	80,612 10
Alberta	72,600 00
British Columbia	700,080 47

Mr. HEAPS: Those are not annual payments?

Mr. GARDINER: The total amount paid since the act came into force.

Mr. HEAPS: When was that?

Mr. GARDINER: 1907.

Mr. COLDWELL: Are these chiefly cooperative plants?

Mr. GARDINER: Both cooperative and privately owned plants in which there is customs storage.

Mr. MARSHALL: What are the two plants operated in Alberta?

Mr. GARDINER: The Merchants Cold Storage Company of Calgary and the Edmonton Cold Storage Company of Edmonton.

Mr. COLDWELL: Can the minister tell the committee how many of these plants are privately and how many cooperatively owned?

Mr. GARDINER: We have not the figures on that basis. We would have to go through them, and get the totals.

Mr. HEAPS: How many new cold storage warehouses have been erected during the past year for which subsidies have been requested?

Mr. GARDINER: The contracts entered into since April 1, 1936, are at the following points: Charlottetown, Prince Edward Island; Kensington, Prince Edward Island; Grand Pré, Nova Scotia; Aldershot, Ontario; Kingston, Ontario; Simcoe, Ontario; Strathroy, Ontario; Thornbury, Ontario, Kelowna, British Columbia; a second one at Kelowna, British Columbia; Naramata, British Columbia, and at Summerland, British Columbia.

Mr. COLDWELL: What four plants are subsidized in Saskatchewan?

Mr. GARDINER: The Moose Jaw Cold Storage Company at Moose Jaw; the Saskatchewan Cooperative Creameries at Regina; the Saskatchewan Cooperative Creameries at Saskatoon, and the Saskatchewan Cooperative Creameries at Vonda.

Mr. HEAPS: Before the Department of Agriculture agrees to granting a subsidy, are the plans and specifications submitted to the department, or does the company which proposes to build simply go ahead and build, and then make application for the subsidy? In other words, is there any regulation or control over the erection of plants or cold storage warehouses?

Mr. GARDINER: According to the regulations, plans have to accompany applications, and inspections are made. Not all applications are passed by the department. In many instances they are sent back and the applicants are asked to make provision in addition to that shown in the original plans. I brought down a special supplementary last year to take care of two plants which in previous years had started operations before making application to the government. It took them about three years to satisfy the government that they had provided facilities sufficient to warrant the payment of the grant.

Mr. HEAPS: Suppose in a district there is more than sufficient accommodation to take care of the requirements; in such case would the government give a subsidy for another cold storage plant?

Mr. GARDINER: No; the government would not give a grant if in its opinion the building was too costly or of dimensions greater than required to satisfy the existing conditions.

Mr. THOMPSON: Do I understand the minister to say that when the federal department makes a grant for the erection of these buildings, they are then turned over to the operating company, or does the government make grants in addition to those made in connection with the erection and equipment of the building?

Mr. GARDINER: The grants are paid over five years, and under certain conditions additional grants are paid. But the plants are always subject to regulation with regard to charges, and are open to the public for storage purposes, as long as they are operated.

Mr. THOMPSON: In that event the federal government will not derive any benefit from charges made for storage?

Mr. GARDINER: No; the federal government does not get any financial returns. In the first instance the intention was to encourage the construction of cold storage plants.

Mr. SPENCE: Do we understand from the minister that in some cases the department gives more than thirty per cent?

Mr. GARDINER: No more than thirty per cent is paid on any plant that is built. It is only when an addition is made to the space that another thirty per cent is paid.

Mr. SPENCE: If an addition is added, the department adds another thirty per cent?

Mr. GARDINER: Yes.

Mr. SENN: Have certain of these companies gone out of existence? Are all the cold storage warehouses being operated at a profit? What is done in the case of a warehouse which is not making any profit?

Mr. GARDINER: So far as the department knows, they are all operating. Some of them are operating in connection with trading concerns and probably are not operating exactly in accordance with the provisions set up at the time they were first built.

Mr. SENN: Is there any tariff of charges issued by the department, or are these different warehouses allowed to make their own charges?

Mr. GARDINER: The organization or individual building a storage plant must file with the application, a list of the rates to be charged. These rates cannot be changed without the consent of the governor in council. I think it will be admitted that this is a necessary condition in view of the situation in the different localities.

Mr. SENN: I suppose different rates are charged for the different classes of goods stored.

Mr. GARDINER: That is true.

Mr. TOLMIE: Could the minister give the names and locations of the plants in British Columbia?

Mr. GARDINER: They are as follows:

Farmers' Cold Storage Company, Limited, Hatzic.
Kaleden Cooperative Growers' Association, Kaleden.
Apex Orchards Company, Limited, Kelowna.
Kelowna Cold Storage Limited, Kelowna.
Kelowna Growers' Exchange (1), Kelowna.
Kelowna Growers' Exchange (2), Kelowna.
Occidental Fruit Company Limited, Kelowna.
Okanagan Packers Limited, Kelowna.
Naramata Cooperative Growers' Exchange, Naramata.
Kootenay Cooperative Storage Association, Nelson.
Pacific Coast Terminals Limited, New Westminster.
James Fitzpatrick, Penticton.
Penticton Cooperative Growers' Association (1), Penticton.
Penticton Cooperative Growers' Association (2), Penticton.
Maple Ridge Cooperative Produce Exchange, Port Haney.
Canadian Fish and Cold Storage Company, Prince Rupert.
Salmon Arm Farmers' Exchange, Salmon Arm.
Summerland Cooperative Growers' Association (1), Summerland.
Summerland Cooperative Growers' Association (2), Summerland.
Inland Ice and Cold Storage Company Limited, Vernon.
Vernon Fruit Union, Vernon.
B. Wilson Company, Victoria.

Mr. BROOKS: Are these plants used for the storage of any products other than market products? For instance, are they used for the storing of fish?

Mr. GARDINER: They are used for the storage of fish or any other products of that kind.

Mr. THOMPSON: I notice that there are thirty-six of these plants in Ontario. Would the minister give the names and locations·

Mr. GARDINER: They are as follows:

Aldershot Distributing Cooperative Co., Aldershot.
Brantford Cold Storage Company, Brantford.
Whyte Packing Company, Brockville.

McGeachy's City Dairy, Chatham.
Wilson Company Limited, Chatham.
W. L. Hamilton, Collingwood.
Lambton Growers Cold Storage Company, Forest.
Wellington Produce Company, Harriston.
Kingston Cold Storage, Kingston.
Flavelles Limited, Lindsay.
Meaford Fruit and Canning Co. Limited, Meaford.
Whyte Packing Company, Mitchell.
R. H. Ashton, Morrisburg.
Lemon Brothers, Owen Sound.
Palmerston Cold Storage Company, Palmerston.
W. Scott Company, Limited, Peterborough.
Prince Edward County Fruit Growers, Picton.
Algoma Produce Company, Sault Ste. Marie.
Norfolk Fruit Growers Association (1), Simcoe.
Norfolk Fruit Growers Association (2), Simcoe.
Norfolk Fruit Growers Association (3), Simcoe.
J. D. Moore Company, St. Marys.
Elgin Growers Cooperative Limited, St. Thomas.
St. Thomas Cold Storage Company, St. Thomas.
Middlesex Growers Cooperative, Strathroy.
Middlesex Growers Cooperative (2), Strathroy.
Thedford Cold Storage Company, Thedford.
Georgian Bay Fruit Growers Limited (1), Thornbury.
Georgian Bay Fruit Growers Limited (2), Thornbury.
Georgian Bay Fruit Growers Limited (3), Thornbury.
United Farmers Cooperative Company, Toronto.
Trenton Cooperative Mills Limited, Trenton.
Trenton Cold Storage Company, Trenton.
Federal Warehouse Company Limited, Windsor.
Windsor Ice and Coal Company, Windsor.
Oxford Fruit Cooperative Limited, Woodstock.

Mr. BROOKS: I have been struck with the apparent discrepancy in the number of cold storage plants in the different provinces. I believe there are five in Prince Edward Island, two in New Brunswick and twenty in Nova Scotia. Is there any particular reason for there being only a few plants in some provinces while there are more in others?

Mr. GARDINER: The number of cold storage plants in a particular province depends largely upon the necessity for cold storage in that province. Where fruit and fish and dairy products are largely produced, naturally cold storage is needed. British Columbia has a large number of storage warehouses, as have Ontario and Nova Scotia.

Mr. LENNARD: Is the plant at Aldershot being operated successfully? I have no criticism to make of this plant, but I should like to have that information.

Mr. GARDINER: The departmental officials think it is being operated successfully.

Mr. LENNARD: Has the government been requested to subsidize a plant at Burlington?

Mr. GARDINER: No application has been received.

Mr. SPENCE: Some time ago the government took over a large cold storage plant at Brighton, which at one time belonged to Simmons Shuttleworth and Company, of London and Glasgow. Is the government still operating that plant?

Mr. GARDINER: It is not in the list before me as having been subsidized.

Mr. BAKER: In view of the fact that these plants are subsidized by the government, is there any control over where a plant shall be erected? When an application is made to erect a plant, does the government sometimes say that there are already sufficient plants in that locality?

Mr. GARDINER: Yes. It is optional with the government whether a grant will be given. Consideration is given to conditions existing when the application is made. If there is no need for the plant, of course the government does not agree to give a grant.

Mr. BAKER: The government has control of that?

Mr. GARDINER: Yes.

Mr. SENN: What inspection and supervision are exercised by the government over these cold storage plants?

Mr. GARDINER: As long as the instalments are being paid, the plants are inspected at least annually. After that time there is no regular inspection, but there may be an inspection at any time.

Mr. SENN: Is the minister sure that the list he read from is up to date as far as Ontario is concerned? I understand from what he just said that after the instalments are paid regular supervision is not exercised. I have an idea that some plants which he mentioned in Ontario are not operating today at all. That is one question I asked the minister some little time ago. What action would the government take in case one of these cold storage plants found it impossible to carry on? Would they be allowed to be abandoned, or would some action be taken?

Mr. GARDINER: So far as we know, two of them were destroyed by fire, but they have been rebuilt. There may be one other that is not operating. If there are any others not operating, I should be glad if the hon. member would give me their names.

Mr. SENN: I understood that there was one at Morrisburg which is not in operation at the present time. Is that the one to which the minister referred?

Mr. GARDINER: It was one that, I understand, was burnt and has not been rebuilt.

Mr. SPENCE: I know the minister does not mind taking a little advice, and my advice would be to make a close scrutiny of any applications for cold storage plants. He is not only losing the 30 per cent he put in, but encouraging others to put their money in and lose it: I know several cold storage plants that had better not have been built at all. I am not going to name them. He can look them up himself.

Item agreed to.

Dairying, $290,000.

Mr. THOMPSON: I wish to call the attention of the minister to a condition which I think has more to do with the quality of our cheese exported than anything else, and that is the practice of shipping our cheeses too green. There is a regulation that the graders are not supposed to grade a cheese until it is eight days old, but any regulation that might be passed compelling a cheese maker to hold cheeses in his factory for eight days, or whatever other time might be specified, does not remedy the evil for this reason: It is not the shipping of the cheese, it is the boxing of the cheese that causes the trouble. If green cheeses are placed in boxes before they are sufficiently dried, the moisture causes a mould that discolours the cheese and very often causes a soft rind. Many of our small cheese factories have not enough shelf-room to hold more than two or three days' make of cheese, and if they are compelled to hold cheeses more than a week in the factory, they simply box them up, put them in the corner and leave them there over the week. These cheeses should be left on the shelves without being boxed, and should be turned every day for a week. One exporter told me that he had worked up a splendid trade for cheese for a certain firm in the old country, but that he could not supply them with these mouldy cheeses which had been boxed before they were properly dried out, because while the mould on the outside very often does not deteriorate the cheese itself, it certainly spoils its appearance.

There is another matter that is bothering the dairymen at the present time. Some years ago parliament passed legislation prohibiting the importation of oleomargarine. That prohibition was of great benefit to the dairy farmers, but its advantage is being nulli-

fied to a certain extent by the importation of vegetable oils. Vegetable oils are coming in and being manufactured into shortening and other ingredients used in baking and cooking, and these are taking the place of butter. We manufacture in this country on an average ten million pounds of butter a year more than we can consume, and for that ten million pounds of butter we must find a market outside Canada. These vegetable oils which are coming in are coming from countries with a low scale of wages where the standard of living is very low. They are bought very cheaply, and after they are refined, the better class of oils goes into shortenings and other ingredients used in cooking and baking, and they take the place of our butter and lard. This displaces the consumption of our own butter and animal fats, as the shortenings are frequently used in the place of butter. The lower grade oils are made into soaps. About eighty million pounds of vegetable oils are imported annually, and the importation in the last two years has increased by twenty-four million pounds, so that they have become a serious contender with butter in this country.

I would point out to the minister that the United States has protected its dairymen by imposing a duty of 4½ cents a pound on vegetable oils entering that country, while they enter Canada free. That duty has turned the tide of vegetable oils into the Canadian market. I would ask the minister to take this matter into his serious consideration because our dairymen to-day are becoming alarmed at the ever-increasing sales of shortenings which are made from vegetable oils and which are taking the place of our butter and animal fats.

Mr. GARDINER: An application with respect to vegetable oils, has been made to the tariff board and is now receiving its consideration, so I do not think I am in a position to say that any further consideration can be given the matter at the moment.

Mr. SENN: I should like to bring to the attention of the minister a matter which I think ought to have been brought to the attention of the house sooner. On the previous day the agriculture estimates were considered in the house the evening papers carried the announcement that the whole Department of Agriculture was to be reorganized and that there were to be three main branches: production, research and marketing. It came as rather a surprise to me and, I think, to other hon. members, that this had not been mentioned before the agriculture estimates were considered.

[Mr. Thompson.]

I should like first of all to commend the action of the minister for choosing the men he did to head these branches. Doctor Archibald and Mr. Rothwell are well known to agriculture generally throughout the dominion. I do not think there is a better authority on agricultural matters in Canada to-day than Doctor Archibald. The administration of his department in the past has been very excellent indeed. The same may be said for Mr. Rothwell. He has made himself deservedly popular with the live stock men of this country. I am glad the minister has seen fit to retain the services of these two men in the department.

It is difficult to understand how the estimates are to be allocated after this reorganization takes place. Take, for instance, this branch of dairying. We have the production activities, the research branch and the marketing branch. Just how this vote is to be divided among the different branches is difficult for me to understand. Again, as far as the marketing branch is concerned, if I am correctly informed or if my ideas are correct, marketing within the province is solely within the jurisdiction of the province. The supervision of marketing outside the country or interprovincial marketing has largely been, as I understand the matter, the work of the Department of Trade and Commerce. I think the minister would be wise, in view of the reorganization, to make a statement as to how these estimates are to be divided, so that we may discuss them more intelligently.

Mr. GARDINER: I had intended to discuss fully the matters referred to upon the vote for marketing, which is the last vote, on page 19. If hon. members will permit of it being done at that time it would be preferable, I think, to starting in to explain the matter at five minutes to eleven o'clock.

Mr. SENN: Then I think the minister should let this item stand until we have a chance to hear his explanation.

Mr. GARDINER: Well, it really has very little to do with this item. The marketing item covers the whole matter under consideration; anything that is to be taken out of the different branches and put under marketing will be dealt with under the marketing vote.

Mr. TOLMIE: I should like to ask the minister how many dairy cows there are in Canada?

Mr. GARDINER: About 3,800,000.

Mr. TOLMIE: I am afraid the minister is out by many millions. How many of them are under test?

Mr. GARDINER: About one and one-third per cent of the cows in Canada are under test.

Mr. TOLMIE: Do those figures apply to pure bred cattle? How many pure breds are there in Canada? They are all registered.

Mr. GARDINER: That includes all the pure bred cattle. I am not in a position to break down the figures in order to give the pure breds and the others.

Mr. SENN: Will the minister explain why the vote for dairying is so small in proportion to some of the other votes for agriculture? Last year I gave the house a few figures showing the relative importance of dairying as a branch of agriculture. I do not wish to be understood as finding any fault with the size of the votes allotted to the other branches, but it would seem to me that, in view of the relative importance of dairying as compared with other branches of agriculture, its vote is quite small. The value of animals and animal products from 1932 to 1936 was approximately $636,000,000; of our poultry and egg products, $327,000,000; of our dairy produce, $1,169,000,000, and of our wheat, $900,000,000. When we consider the size of the vote in comparison with the importance of these different branches of agriculture, the amount of money that is derived from them and their value to the industry itself, it seems to me that a very small amount is being expended for dairy purposes. It is not necessary for me to go into percentages. I think the amount of the dairy vote is something like four per cent of the total vote for agriculture. The vote for live stock amounts to about twenty per cent. If one turns to the estimates of the Department of Trade and Commerce, one will find nearly $2,000,000 is allocated for the administration of the Canada Grain Act alone, which has largely to do with the sale and marketing of wheat.

Mr. DUNNING: The grain pays for it.

Mr. SENN: I know, but after all, that amount of money is expended on marketing and—

Mr. DUNNING: Not by the government.

Mr. SENN: Perhaps not by the department itself.

Mr. GARDINER: The farmers pay for that themselves, direct.

Mr. SENN: At least there is a vote in the Department of Trade and Commerce for that amount.

Mr. GARDINER: And a revenue of the same amount.

Mr. SENN: My argument is that if it is necessary to expend large amounts to market our wheat successfully, which has a value considerably smaller than our dairy products, the amount allowed here is too small, and I think the minister might very well explain to the committee why this vote is so small.

Mr. GARDINER: The vote for dairying has been increased this year by $18,000. It was increased last year. I might draw to the attention of the committee the fact that the subsidies paid for cold storage are an assistance to dairying.

Mr. SENN: And to other branches as well.

Mr. GARDINER: The item for live stock, including assistance to fairs and exhibitions—a considerable percentage of that is intended to be assistance to dairying. Experimental farms, including investigations concerning plant diseases—a large part of that vote is in order to encourage dairying and to make it possible for dairy farmers to have better stock and better feed for their dairy stock. The health of animals, administration of the Animal Contagious Diseases Act, an expenditure of $1,817,000—a very considerable part of that is to improve the dairy herds through improving the health of the cows throughout the country. I might say that the greater part of the vote is really a vote for dairying. It can be very easily argued and shown that more of the vote is spent for dairying than for anything else.

Mr. SENN: I have something further to say, but it is eleven o'clock.

Progress reported.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Wednesday, February 10, 1937

The house met at three o'clock.

ELECTIONS AND FRANCHISE

SPECIAL COMMITTEE—CHANGE OF PERSONNEL

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

That the name of Mr. McLean (Simcoe East) be substituted for that of Mr. Slaght on the special committee appointed to study the Dominion Elections Act, 1934, and amendments thereto, and the Franchise Act, 1934, and amendments thereto.

Motion agreed to.

VALIDITY OF DOMINION ACTS

TEXT OF DECISIONS OF JUDICIAL COMMITTEE OF THE PRIVY COUNCIL TABLED

Hon. ERNEST LAPOINTE (Minister of Justice): Mr. Speaker, I desire to lay on the table of the house copies of the text of the decisions of the privy council on the various references, which decisions, as hon. members are aware, were delivered on January 28 last. Yesterday some hon. gentlemen expressed the wish that this text might be printed in the Votes and Proceedings of to-day, and I would ask you, Mr. Speaker, to give instructions to that effect.

Mr. SPEAKER: Instructions will be given to that effect.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

FRUIT AND VEGETABLE EXPORTS—MARKING OF PACKAGES

Mr. LENNARD:

1. Are the shippers of packages of Canadian fruits and vegetables to the United States required to mark each package with the name of the grower and the country of origin?

2. Is this required of similar shipments into this country from the United States?

3. If not, will the government put a similar regulation into effect?

Mr. RINFRET:

1. Yes, with the name of the packer or shipper who may be the grower (to conform with Canadian regulations) and with the country of origin (to conform with the U.S. customs regulations).

2. The country of origin is required, but not the name of the grower.

3. Will be considered in due course.

WESTERN PROVINCES QUINQUENNIAL CENSUS STAFF

Mr. HURTUBISE:

1. How many candidates presented themselves in May, 1936, at the civil service examinations for positions in connection with the quinquennial census of the western provinces?

2. How many French-speaking candidates were there, and how many English-speaking?

3. How many candidates were placed on the list of those eligible?

4. Of the eligible candidates, how many were French-speaking, and how many English-speaking?

5. How many of these candidates did the government employ during the first six months of the census work?

[Mr. Mackenzie King.]

6. Of the candidates employed in this census work during the first six months, how many were French-speaking, and how many English-speaking?

7. Of the candidates employed upon this census work during the first six months, how many resided in Ottawa before the census, and how many resided elsewhere?

Mr. RINFRET:

1. 7,206.

2. French-speaking, 1,482; English-speaking, 5,724.

3. 604.

4. French-speaking, 21; English-speaking, 583.

5. 276 (including one replacement).

6. French-speaking, 8; English-speaking, 268.

7. Resident in Ottawa, 64; elsewhere, 212.

"French-speaking" indicates those candidates who wrote the examination in the French language, and the same applies to the term "English-speaking."

CANADA GAZETTE—LIST OF REGISTRARS OF ELECTORS

Mr. WERMENLINGER:

1. Who ordered the publication of the list of registrars of electors in the Canada Gazette of January 16, 1937?

2. Why was that list published about two months before the time fixed by statute?

3. What was the cost of the publication of the list of registrars of electors in the Canada Gazette of January 16, 1937?

4. Will the list of registrars of electors be again published this year in the Canada Gazette during the period fixed by statute, namely: between the first and twentieth days of March?

5. In that event, who will pay for the unauthorized publication of the list of registrars of electors in the Canada Gazette of January 16, 1937?

Mr. RINFRET:

1. The list was sent by the dominion franchise commissioner.

2. It was published ahead of time—as soon as received.

3. Cost not appreciable in amount, since the work involved in setting type is trifling.

4. Yes.

5. Answered by No. 3.

CAPTAIN FREEMAN HATFIELD

Mr. BROOKS:

What is the present position of the extradition proceedings affecting Captain Freeman Hatfield?

Mr. LAPOINTE (Quebec East): From information received, Captain Freeman Hatfield intends to appeal from the decision of the United States circuit court of appeals to the Supreme Court of the United States.

QUESTIONS PASSED AS ORDERS FOR RETURNS

SOREL, QUE., GRAIN ELEVATOR

Mr. LACROIX (Quebec-Montmorency):

1. Did the private company which built the grain elevator at Sorel utilize a wharf for the foundation of said elevator? If so, was this wharf constructed and paid for by the federal government?
2. How much did this wharf cost?
3. What is the name of the company which owns the grain elevator at Sorel?
4. Who are the directors and shareholders of said company?
5. What rental is paid to the government for the use of said wharf?
6. Do the wharves which serve as foundations for the grain elevators at Montreal and Quebec belong to the government, and have they been built entirely and paid for by said federal government?
7. Are the following charges collected at the port of Sorel: "tonnage dues," "wharfage" and "moorage charges"?
8. Are the following charges collected at the ports of Montreal and Quebec: "tonnage dues," "wharfage" and "moorage charges"?

Mr. RINFRET: Return tabled herewith.

TERMINATION OF GOVERNMENT CONTRACTS WITH INDIVIDUALS—LOSS OF SALARY

Mr. MUTCH:

1. What was the cost to the federal treasury in each of the fiscal years from 1929 to 1936, inclusive, arising out of the termination of contracts entered into between the federal government and individuals and involving compensation for loss of salary as provided in such contracts as may have been thus voided?
2. Who were the persons with whom such settlements were made?
3. What was the date of the contract in each instance, and the date it was terminated?
4. How much did each individual receive?

DISMISSAL OF QUEBEC POSTMASTERS AND MAIL CARRIERS

Mr. WERMENLINGER:

1. How many postmasters in the province of Quebec were dismissed since November, 1935?
2. How many were dismissed in each of the other provinces of the dominion?
3. How many mail carriers have been replaced since November, 1935: (a) in the province of Quebec; (b) in each of the other provinces of the dominion?

SURVEY PARTIES—QUEBEC PROVINCE

Mr. BOULANGER:

1. How many geodetic, geological, hydrographic, topographic and land survey parties were working in the province of Quebec, during 1936?
2. What are the names and salaries of the members of each of these parties, and which of them were only employed temporarily?
3. In what sections of the province of Quebec were these parties employed, and what was the nature of their work?

HOUSING POLICY

ELIMINATION OF SLUM CONDITIONS AND PROVISIONS FOR OVERCOMING SHORTAGE OF DWELLINGS

Mr. DENTON MASSEY (Greenwood) moved:

Whereas the home is the quick centre of all national life;

And whereas, there is an appalling scarcity of homes in this dominion, and also that slum conditions exist to a shocking degree in most of our urban centres;

And whereas, as a result of conditions beyond their control, many working men who do not own homes are unable to build;

And whereas, housing plans have been operating with outstanding success in many countries, especially, for example, in the United Kingdom and Sweden,

Therefore be it resolved,—That, in the opinion of this house, the government should give full and immediate consideration to the setting up of a housing plan, with a thought to eliminating slum conditions; to overcoming the shortage of sufficient dwellings, adequately, properly and happily to house our population; and to making possible to the working man who wants to build, and who is at present unable to build, the building of his own home.

He said: Mr. Speaker, I introduce this resolution to the house recognizing five existing and contributing factors: First, that we have a national employment commission that has been functioning for nearly a year to investigate and report upon ways and means of providing employment. Second, that Bill No. 11, to provide for a home improvement plan, on recommendation of the national employment commission, has already passed to the stage of third reading. Third, that the need for houses and the necessity for slum clearance is both appalling and appallingly obvious. Fourth, that experiments in housing plans and slum clearance schemes are by no means untested and untried, having proved to be a preeminent success in many countries, particularly in the United Kingdom and Sweden. And, fifth, that the hurdles of provincial and municipal cooperation must be negotiated before the federal government can step in.

I plan to approach this great problem of slum clearance under three main headings: First, the moral responsibility of the nation to protect its national life; second, the vital obligation of the nation to preserve and enhance national life; and, third, the prime necessity of employment both for those who have worked and are out of work, and for those who are prepared, equipped and ready to work but who cannot get a job—in other words, our youth.

First, as to the moral responsibility of the nation to protect its national life. As the resolution states, the home is the quick centre of national life. It may sound platitudinous to say, nevertheless it is true, that as goes the home so goes the nation. If the house is but a house and not a home, how can national home life exist? If the house is dilapidated, dirty, insanitary and inadequate, or if the conditions are those of overcrowding, and are unhealthy, demoralizing and a virtual insult to any sense of human decency, those who live under such conditions are bound to be the victims of the circumstances of their environment.

The converse is also true. If the people live in happy, tidy, clean homes, there is at once set up a sense of ownership, a desire to "possess possessions" and the feeling that, after all, the person owning a home has a stake in the state. The fact that people live in homes, not just in houses, is of inestimable value to any country. Broadly speaking, can we say to-day, particularly of urban centres, that the backbone of these communities, the working men, all have the opportunity of living in homes rather than in houses?

For nearly eight years, since 1929 and during the days of the depression, we have witnessed what may be described as a gradual undermining of Canadian national life. Some have lost their homes as a result of having purchased them under a mortgage plan, and have been unable to continue payment of the interest rates charged. Failing to meet payments on mortgages, they have lost their homes and their stakes in them and have been compelled to live in inadequate houses and to move about from place to place, usually at each move going lower and lower down the scale in the standard of living. The effect of such catastrophic events on youth, the industrial worker, or the farmer, is too great to estimate.

Then, too, in the past seven years no less than 1,500,000 of our young people have reached the age of sixteen years. What has been the effect on them as they have watched their parents suffer the indignity of having to move about from place to place? What has been the effect upon these young people, as they have been forced to witness the demoralizing spectacle of the parents being paid money to keep body and soul together, and still not being able to get work? Then, there are the conditions occasioned by the doubling up of families, conditions which have produced awful and degrading circumstances. Not long ago I was in a room of not more than two hundred square feet in which were living two families consisting of five adults of opposite sexes. I hold in my hand the report of the lieutenant governor's committee on housing conditions in Toronto. It is a most illuminating document, and as one peruses its pages he cannot help but be impressed by the fact that in the city of Toronto at least conditions prevail which the average citizen would not care to contemplate, but which as representatives of the people it is our sworn duty to contemplate.

There are many interesting statements in the report, but none quite as staggering as that concerning juvenile delinquency. At page 45 of the report we find that the rate of juvenile delinquency in good housing areas is 7.9 per 10,000 of population, while in areas where housing is totally inadequate and where slum conditions exist the rate stands at no less than 36.6. In other words it is five times as great in one as in the other. Then, at page 50 I find this:

> The whole plane of sex morality is likely to be lower in districts of poor housing. The breakdown in self respect due to lack of privacy and indiscriminate intermingling of the sexes results in a general increase of sex delinquency. The social consequences of dark halls and stairways are also seen in the increased number of nuisances committed where such conditions exist. In conference police officials stated that "houses of ill-fame" are more numerous in areas of dilapidated and outworn housing, and a prominent social worker gave it as her opinion that illegitimacy and social diseases are more than generally prevalent among the occupants of bad houses.

I have gone to many of these areas and have visited families living in them. I believe I can speak with knowledge and certainty of conditions which exist in Toronto. In many of the areas the conditions are worse than deplorable, and always inexcusable. There are those who have attempted by manipulation of pencil and paper to show that there is no overcrowding in some of our urban centres. I maintain that in the light of the knowledge we all have, such statements are nothing short of criminal.

The Bruce report, to which I have referred, and many others, bring to our attention with crystal clearness deplorable conditions existing in many of our urban centres—yes, and not only in the cities, but in rural areas as well, where often they are desperate, conditions beyond the control of those who are forced to live under them. We are inclined sometimes to sit back and say, "Well, at least a man can be clean." I say there are conditions under which it is impossible for a man to be clean, and that therefore we should condemn ourselves for permitting these condi-

tions to exist. A few days ago I was speaking to an hon. member of this chamber who comes from Saskatchewan, and who informed me that in some parts of that province there are houses where protection against the cold is so inadequate that one member of the family must sit up all night to attend the fire with whatever fuel is available in order to attempt to keep frost out of the house.

It is not my intention to try to prove by figures, by quoting from reports, or by placing on Hansard a volume of evidence to substantiate it, the truth of the statement that we in Canada to-day are facing a shortage of between 75,000 and 100,000 houses, that in urban centres slum conditions exist which are virtually a disgrace to Canada, let alone to the cities in which they exist, and that the housing of our rural population is desperately in need of attention. Mr. Speaker, we have had investigations and commissions, commissions and investigations, almost ad nauseam, —but in the main, what has been done? The purpose of the resolution is to bring to the attention of the house not merely the conditions which exist, but the necessity for immediate action in connection with this most vital of national problems. How long are municipalities to be permitted to permit this cancerous growth of slums to eat at the very vitals of our nation? We talk about putting men to work, about that burning problem which has the attention of everyone to-day, namely that of employment and the finding of jobs for people who are out of work. Yes, by all means put men to work—but from what background?

In this house and out of it we have discussed at length the great problem of youth—youth that is undernourished and in ill health, whose morale is gone. What are we doing to build up our youth? We exercise great care over their education and this question has been discussed in the house. The hon. member for Essex East (Mr. Martin), whose motion follows mine on the order paper under notices of motion, is introducing a resolution in connection with scholarships. Splendid, but what of the morale of youth?

I had the privilege of visiting the United Kingdom this summer and I realized that the mother country had not been slow to recognize the necessity of building up the morale of the worker. It is with essentially such a background that the mother country has launched and put into effect so efficient a housing scheme. The same is true of Sweden. A filthy house and the environment of a poorly ventilated, insanitary, verminous and smelly room will set up only one set of reactions in the mind of a human being—a sense of inferiority, inadequacy and despair. If a man is red blooded at all, these feelings turn into but one thing—rebellion. There is an undermining effect from spending the day in walking the streets looking for work and then returning to an evil smelling, verminous and filthy space that is all a man has to call home. This is a fact which we are perhaps sometimes slow in recognizing.

I have in my hand a publication of the London County Council with reference to Becontree, one of the new subdivisions of the city of London. This subdivision has an area of 2,778 acres and houses no less than 25,000 families or 120,000 people. Attractive and clean cottages and flats are to rent, each with its garden and all that goes with it. A three-room cottage may be rented for $3.10 per week, or a six-room cottage for $5.60. This subdivision is only one of many around London. I have before me a map prepared by the London County Council showing the housing estates in operation in 1936. Hon. members who have seen this plan are amazed at the number and extent of the areas which have been set up by the London County Council under their housing plan.

I do not wish at this point to criticize in any way the operations of the national employment commission, but surely it is not necessary to spend thousands of dollars on investigations and use up months of time in connection with this matter of housing. The home improvement plan which we have been discussing in this house is splendid as far as it goes; it is a step in the right direction, but of what possible good is this plan to the man who has been evicted from one hovel after another, who is renting a place he is forced to call his home? The other day in committee I asked the minister a question concerning the use of money to be granted under the home improvement plan and whether any machinery had been set up whereby a home would be demolished when the owner should demolish rather than repair it. The minister's answer is to be found on page 479 of Hansard of February 2, 1937, as follows:

> As the hon. member is aware, the duty of condemning a dwelling house as being unfit for human habitation is a provincial matter.

The home improvement plan is only one small step in filling the great need for housing. May it not be to the government as the words of the hymn, "One step enough for me."

In the second place there is a vital obligation on the nation to preserve its national health. As has been said already in this chamber this session, sickness costs this country approximately $300,000,000 a year.

Much has been done to cure tuberculosis, while typhoid fever and diphtheria have been practically eliminated. All diseases of bacterial origin have decreased in a striking manner. We rejoice in Canada in such medical achievements and the achievements in the realm of science such as those of Sir Frederick Banting. But our governments, municipal, provincial and federal, do nothing to eliminate slum areas in our cities and to improve living conditions in some of our rural districts. Whole city blocks of so-called dwellings and many farm houses are virtually breeding grounds for the most filthy of diseases. The occupants of these places are unable to do anything about it. The slum areas of our cities foster all the evils of infant mortality, infantile paralysis, tuberculosis and other insidious diseases. These diseases are being fed by the conditions under which we compel men and women to live. One of the most filthy of all plagues, venereal diseases, is fostered by overcrowding in slum areas. On the basis of public health alone, it is incumbent upon the government to adopt the spirit of this resolution by doing as much as possible toward the elimination of slums and building up toward the happy housing of our population. Yes, the government should do all possible to assist the provinces and municipalities to eradicate this slum evil, the greatest blot on the escutcheon of Canada.

Unemployment is a burning question in this country to-day, but what is the use of giving work to men who are rendered physically incapable of working, as a result of the conditions under which they have been compelled to live. Within the last few days it was my privilege to talk to the one who was responsible for this report, the Lieutenant Governor of Ontario, Doctor H. A. Bruce. During the course of our conversation that was the point he stressed, what is the use of expecting men to be able to work who have not worked for years and who have lived under the most unfortunate conditions.

There are some startling figures to be found in this report. In Glasgow the death rate per thousand in areas where families live in one room, is 29·9; where the families live in four rooms the rate is 10·8, just one-third. In Edinburgh the death rate in a certain area in 1892 was 45·5 per thousand. In 1933, after the elimination of slum conditions, the death rate in the same area was only 15 per thousand, just one-third what it had been. The challenge is here and something must be done. This job of work is an active, not a passive job. There is no possibility that good times of themselves will clear up our slum areas. There is a job of work that must be done. May I quote the words of that great statesman of the nineteenth century, Benjamin Disraeli, who said:

> The public health is the foundation upon which rests the happiness of the people and the welfare of the nation. The care of the public health is the first duty of the statesman.

In the third place, there is the prime necessity of providing employment. A few days ago Mr. Tom Moore, vice chairman of the national employment commission, speaking to the Canadian Construction Association, then convened at Ottawa, is reported as follows:

> Mr. Moore said that out of approximately 2,000,000 houses possessed by the Canadian people, based on the average life of a house at 30 years, 30,000 houses per year would be a fair estimate for new building. The total reported for the last five years had not been more than half this.
>
> "According to this approach there would be a deficit of about 75,000 houses which, at an average cost of $3,300 each, would amount to a total building requirement of $247,500,000," Mr. Moore declared.
>
> He pointed out that of 95,000 families on relief in Canadian cities of over 25,000 population, approximately nine per cent occupied one room and 11 per cent two rooms, making a total of 20 per cent, living in one or two rooms.

It is a well known fact that the building of houses provides more work than any other type of construction, with the possible exception of the building of concrete roads. Approximately 80 per cent of the cost of a house is used in labour, direct and indirect. Thus in the $3,300 home of which Mr. Moore speaks, there would be $2,640 of labour direct and indirect.

It is unnecessary to call the attention of this house to the depressed condition of the building industry. Sufficient be it to say that the building industry to-day is struggling along about one-third of normal, and in this industry normal at no time in Canada has been anything to write home about. In the city of Toronto, my own city, in 1928 our building permits amounted to $51,607,188, while in 1935 they had dwindled to $9,905,455, or 20 per cent of the 1928 figure. The city hall has reported a further drop for the seven months ended July 31, 1936, as compared with the same period the year before, the actual figures being $3,869,041 as against $5,951,602 for the previous year, or just two-thirds of the amount for the year previous.

What better, broader, fuller way to create employment efficiently than by a housing and slum clearance plan? Those of us who have talked to men in the trade, to secretaries of unions and to those who are concerned with

the building trades realize that an increase of even only a slight amount in the building trade would make a spectacular difference to employment in Canada, and a 25 per cent increase in the building trade means, Mr. Speaker, that we would have in Canada a scarcity of skilled mechanics. Here then is a magnificent opportunity for apprenticeships. Increase the rate of building in Canada; create a scarcity of skilled mechanics, and as a result thousands of apprentices who have studied through the technical school or some other medium to be plumbers, electricians, carpenters or whatever it may be, have an opportunity to step in, not to displace any adult skilled mechanic, but to learn their trade.

Slum clearance, let it be remembered also, does not necessarily involve construction only, for there is demolition; there is the elimination of what already exists, and elimination can be accomplished by unskilled labour. Therefore a housing and slum clearance plan at once accomplishes three purposes—the providing of jobs for skilled labour, the providing of jobs for unskilled labour, and the providing of jobs for apprentices and those who wish to practise what they have learned in the schools and otherwise as their trade.

The need for a dominion-wide housing plan is indeed a crying need, and if the plan is delayed much longer it seems to me that the results will inevitably be one of two, or both together: the breaking out of a severe epidemic in congested areas, or an understandable open revolt of those who are compelled to live within these areas. How much longer are 33,449 families going to occupy 15,780 houses? These are actual figures recently released in the city of Toronto. We have heard something of late in this chamber about subversive forces at work in this dominion. We have heard certain statements made in regard to the alleged rise of communism in Canada. What is the answer to these subversive forces? What is the answer to communism in Canada? Is it bludgeoning? Is it force? God forbid. The answer is in jobs and in proper homes. But what has been done? We have a national home improvement plan. That is one step. But what has been done on a broad national scale?

Mr. CHURCH: Nothing.

Mr. MASSEY: Nothing, the hon. member for Broadview (Mr. Church) says.

Mr. CHURCH: And they have done it well.

Mr. MASSEY: That is at least encouraging. Let us consider what has been done in England. I have in my hand a publication of the Ministry of Health dated March, 1936, on housing, house production, slum clearance, et cetera, in England and Wales. May I read a paragraph or two:

> At the date of the armistice the number of houses in England and Wales was a little under 8,000,000. Between that date and the 31st March, 1936, 2,981,417 new houses were provided.

And further:

> The total number of houses provided in the half-year ending 31st March, 1936, was 174,009. This constitutes a new record, the total being 5,282 more than in the half-year ending 31st March, 1935, the figure for which was a record at that time.

And still further:

> Good progress is being made in slum clearance. During the year ending 31st March, 1936, 37,920 houses were demolished or closed under the act of 1930 as compared with 24,273 in the previous year. Up to 31st March, 1936, 80,611 houses (with accommodation for 380,042 persons) has been provided for the purpose of rehousing persons displaced under the act of 1930, nearly one-half of which were completed in the year ending on that date.

Now let us look at Sweden. Building schemes in Sweden are by no means new, for as early as 1849 Sweden began to contemplate seriously and actively her housing. Rapid changes in population had taken place in that country from 1850 to 1936. The change in population in the city of Stockholm, for example, has been an increase from 93,000 in 1850 to 534,000 in 1936, plus a suburban area with a population of 175,000. There has been set up a "build your own home" scheme, known as the Smastugebygge, which has been a preeminent success. Without going into details of the plan, it is possible for a man to make a down payment of only $80 for a beautiful little home worth $2,500 or $3,000, on a lot 80 feet by 125 feet, and to pay for it over a period of thirty years at the rate of $20 per month for the first ten years, $17.50 a month for the next ten years, and $7.50 per month for the last ten years, and these figures include ground rent, amortization of the loan, fire insurance, taxes, street cleaning, garbage removal, chimney sweeping and water service.

Mr. HEAPS: What is the rate of interest?

Mr. MASSEY: Various, usually about 3½ or 4 per cent. The "HSB" a cooperative society for the building of blocks of flats, has been so preeminently successful that to-day they can offer for sale an apartment consisting of a living room, three bedrooms, kitchen, bath and balcony, along with modern stainless

steel kitchen, with an electric refrigerator, for $10.50 a month. And that is for purchasing the flat, not renting it. Tens of thousands of these flats have been built in Sweden in the last few years. I have in my hand two prospectuses of this scheme, if hon. members care to look at them. The environs of Stockholm are virtual parks, and are known quite justly as the garden suburbs of Stockholm. I hold in my hand a map of the western portion of the city, showing large areas purchased by the city in the course of its housing scheme.

How can we in Canada achieve such results as have the United Kingdom and Sweden? Let us look at the problem for a moment. There are three main difficulties in the way, and let us recognize them. The first is that the federal government cannot force municipalities and provincial governments to introduce housing schemes and slum clearance plans. Second, there is our system of realty taxation. Third, have we the funds available to underwrite such schemes if, as and when approved by the provinces or the cities?

Let us attempt to answer the third difficulty first. As has been stated in this chamber this session, and concurred in by the Minister of Labour (Mr. Rogers), the number on relief is not decreasing rapidly. The total of the payments for relief by the federal, provincial and municipal governments during the last six years has been approximately $600,000,000, an annual payment amounting to, in round figures, $100,000,000. That is money being spent in many instances to keep men in idleness. Suppose such an amount as $100,000,000 were directed toward a housing scheme. It would mean that $80,000,000 would be put into the pockets of Canadian labour. If the average earnings were $1,200 a year—as low as that—it would mean that 67,000 men would be put to work. The government, we understand, can borrow money at three per cent or less; therefore the interest on money so borrowed would be $3,000,000 or less. Thus if the relief bill to the federal government were reduced by $3,000,000 a year the interest would be met by this saving alone. But I am suggesting putting the $100,000,000 to productive use—not into public works; not into buildings that will continue to be a drain upon this government; not into roads that will involve further expense in maintenance. I am suggesting putting money into a housing scheme where there will be a return to the government, from the person who purchases or rents the house, of, let us say, five per cent, or $5,000,000 a year. This would show a profit to the government of $2,000,000 on a hundred million dollar housing scheme. True, the national debt is increased by $100,000,000, but the money has gone into homes; it has not cost the taxpayer a penny; the houses are gradually being purchased and the debt is gradually being reduced by the home owner. It is in essence upon this simple principle that the modified housing schemes in effect in the United Kingdom and Sweden have been worked out.

But the Minister of Finance (Mr. Dunning) may well say, "Can we, dare we, increase the national debt?" Is not that a question to be answered by, "It depends upon the purpose." That is the way in which the question has been answered in other countries. And what is the purpose? To raise the morale of Canadians, to give people pride of ownership, to raise the standard of living, to reduce crime and delinquency, to improve public health, to provide jobs, to revive a broken-down yet vital industry, to give youth a chance, and at the same time to receive a five per cent, more or less, income from a three per cent loan.

Mr. DUNNING: I wish my hon. friend would be good enough to amplify that. The one thing I am not clear on is how the state could get back five per cent from a three per cent loan.

Mr. MASSEY: I stated, Mr. Speaker, a few moments ago, that if the government were to borrow $100,000,000 at three per cent—I believe this could be done at that figure or less—the interest on that loan would be $3,000,000 a year. If the hundred million dollars were invested in a housing scheme, or if houses were erected to the worth of a hundred million dollars, the return on that money through rents and purchases should be around five per cent per year.

Mr. DUNNING: But if you did that you would not have low cost housing.

Mr. MASSEY: That is exactly the basis on which low cost housing has been organized in the other countries of which I spoke. I will also say to the minister that the financing of housing schemes and slum clearance plans is not the great bugaboo; I think he will grant me that. There are two other far greater difficulties; the one, the system of realty taxation existing through this entire dominion; the other, the fact that under the British North America Act it is up to the provinces and the municipalities to institute action.

Mr. DUNNING: That is the greatest difficulty.

Mr. MASSEY I have said that. The greatest stumbling block in the way of ridding our cities of the scars that mar them, the greatest difficulty in the way of rehousing

our rural population, is to be found, on the one hand, in the present system of realty taxation, and, on the other, in the restrictions placed upon this government by the British North America Act. If the national employment commission has spent its money and its time only on the study of taxation and can bring any recommendations on this question that are attractive to provincial and municipal governments, then their work has been well worth while on that basis alone. We cannot expect extensive building, either under building societies or under the aegis of provincial or municipal governments, until our system of taxation is completely readjusted. I urge upon the government with all the earnestness of which I am capable that full and complete study be given to this phase of our national scheme of things.

At this session of parliament—yes, and in the last session and before that—we have heard it said again and again that we cannot do this or that in the way of social legislation because the British North America Act says no. If the British North America Act stands in the way of our providing the obvious necessities for this nation in respect of such matters as I have been discussing, or in such matters as social reform, then for God's sake let us amend the act! Let us not disturb its intent. Let us not disturb its principles. Let us keep intact the great purpose for which it was designed. Let us guard the great principles which motivated the minds of those who drafted it seventy years ago. Let us not take away any of its binding force. Let us not weaken it in such a way as to lessen the rights of minorities or to increase the rights of majorities, or in respect of any of the things which have been so important in the development of Canada. But I am one of those who firmly believe that the exploitation of labour, and other abuses which have crept into our social system, cannot and will never be eliminated until this federal parliament has the power to eliminate them. Further, I do not believe that those who drafted the act seventy years ago expected it to remain just so in perpetuity. I have too high a regard for the life and work of the late Right Hon. Sir John A. Macdonald to believe that at any time he had it in mind that he could continue to run this Dominion of Canada from the grave.

In conclusion, just a word that seems to me to be of the greatest importance. We realize that there are forces at work within our nation that are attempting to overthrow democracy and to undermine us,—insidious forces, at work not openly but burrowing in underneath and preying upon the gullibility of disillusioned youth—understandably disillusioned—and upon the sensitiveness of those who have starved and shivered and suffered these many years. These foreign agents paint a rosy picture of the possibilities of development under their system. They disguise its true colour, and the picture they paint is attractive to those who have been disillusioned. They realize how sensitive are those who have been forced to live only upon the generosity of the state, who have been paid to be kept in idleness, who have been compelled to live under such conditions I have attempted to indicate this afternoon. Democracy will be safe in Canada and Canada will be safe for Canadians only so much longer if something is not done to create work and provide the opportunity to our noble fellow citizens to live in good clean homes. We may talk earnestly and seriously about this item of legislation and that, about this job of work and that, about making available, to those who are denied them, means of education, scholarships and all the rest—all splendid things; but the ultimate answer for the safety of democracy and social security is to be found nowhere but in pay envelopes and good homes! As long as men are unemployed, as long as men who want work cannot get it, as long as men are compelled to live in a state of squalor, this nation is in jeopardy.

As a parliament we are challenged to make possible the creation of work, challenged as no parliament in this dominion has been challenged before. Outside of all that I have been attempting to say in regard to human values, moral values, social values in connection with the need of housing, there is this crying need for the creation of work. In the words of the resolution:

> . . . in the opinion of this house, the government should give full and immediate consideration to the setting up of a housing plan, with a thought to eliminating slum conditions, to overcoming the shortage of sufficient dwellings, adequately, properly and happily to house our population; and to making possible to the working man who wants to build, and who is at present unable to build, the building of his own home.

It was Walt Whitman who wrote:

> The house builder at work in cities or anywhere,
> The preparatory jointing, squaring, sawing, mortising,
> The hoist-up of beams, the push of them in their places, laying them regular,
> Setting the studs by their tenons in the mortises, according as they were prepared,
> The blows of the mallets and hammers—
> Paeans and praises to him!

Mr. DOUGLAS G. ROSS (St. Paul's): Mr. Speaker, as a member of this house I consider that I represent all classes of citizens, among whom are the unemployed, the unemployable and the low wage earners all of whom require low cost housing. Therefore I should like to say a few words in support of the motion of the hon. member for Greenwood (Mr. Massey), also to congratulate him upon his wide grasp of the problem.

In the riding from which I come, St. Paul's, Toronto, conditions of living in some sections are appalling. Of that I have personal knowledge. The Bruce report deals with the slum areas there. I am sorry to say that in my riding is to be found a majority of the slum areas of the city of Toronto. In the larger centres of population there is a necessity for stern and serious work to remedy the loathsome conditions which have grown up in what are called slum areas. It is not a new problem, and it is not true to say that it has not been studied in Toronto and other places in Canada during the past ten or fifteen years. Improved housing conditions were advocated in England more than one hundred years ago; a manufacturing philanthropist did this. Napoleon III saw the need of it in Paris and took steps, perhaps not as compelling as they might have been, to bring about some measure of reform. Within recent years, Germany, Russia, Sweden and other European countries have attempted a solution with varying degrees of success. As I said, Great Britain has been studying the problem for many years. One of the most useful examples that we can find in the world is provided in England where some three million houses have been erected at a cost defrayed by state subsidies or by local authorities.

What is a slum? In the first place, it is an ugly scar upon the face of any decent community. In the second place it is the breeding ground for disease and crime. Crime does not lurk in open spaces and in decent environments. As disease and crime are a wasteful expense to the nation, why should not the state provide the means of eradicating both disease and crime, by obliterating slum areas and making it possible for people to enjoy life that is theirs?

I offer, for the serious consideration of the house, the principle that proper housing is a public service which should be assumed by the state in the same way that education, health, and compensation for injuries sustained in industry, mothers' pensions, old age pensions and unemployment insurance are state obligations. Some may cry socialism. It is not socialism for people to be able to wash their faces, to bathe regularly, to breathe clean air, to drink pure water, to avoid disease, as well as to be educated, in order to discharge their responsibilities as citizens.

[Mr. Massey.]

Action already taken through the Dominion Housing Act and the rehabilitation measures has to do with a class of citizens who are in no particular difficulty regarding housing. The dominion act deals with builders, owners and those who are not usually in need of assistance from the state. Those who borrow the money under the rehabilitation measures are in the same category. The loans available under the Dominion Housing Act are made upon the security of property which has to be maintained and amortised upon an economic basis; that is to say, owners of houses coming under this act are, theoretically, and to a large extent actually, in a position to pay out of their income enough to discharge the maintenance and amortisation of the property; the same thing is true of borrowers under the rehabilitation measures.

The Minister of Finance has said that under the home improvement plan all those who are credit worthy can get loans from the banks. What about the others who are not considered credit worthy—the low wage earners, the unemployed, the unemployables? They are, unfortunately, a very large proportion of the population. If they are not credit worthy, what will they do? A great many of them are decent people who, through lack of opportunities, are in the position in which they find themselves to-day.

Something must be done. These arrangements are all very well in their place and I think they will stimulate employment and building to some extent, although I think in their present form they are not likely to be taken advantage of on anything like the scale that their sponsors hope and no doubt expect. But the big housing problem in Canada is created by conditions surrounding low cost housing. To state the position clearly, it may be assumed that the economic cost of maintaining and amortising, in forty years, a new standard four-room housing unit in an urban area is $21.76 per month, or approximately $261 per annum. The assumption is that the cost per house is $3,000. The economic cost is made up as follows:

	Per cent
Taxes (assessment 60 per cent of value)	2·40
Management	0·15
Amortization	1·05
Maintenance	1·00
Insurance	0·10
Interest	4·00
Total	8·70

There is a large class in Canada consisting of unemployables, unemployed and low wage earners whose ability to pay rent is limited. At the present time in the city of Toronto unemployed and unemployables have one-half their rent paid for them if they are on relief. The general situation is that all families in the unemployable, unemployed and low wage earning class inevitably gravitate to the house which can be rented at an average of $12 per month, whereas the economic rent for modern standard houses would be, roughly, $21.76. Therefore there is a condition under which all these families are compelled, generally speaking, to live in houses at least fifty per cent below standard. In view of this situation it is my opinion that the federal government should cooperate with the provincial and municipal authorities to bridge the gap between the economic rent of standard low cost houses and the ability to pay. The present occupants of these houses, unless their conditions improve, will gradually move down the ladder until they find themselves eventually in the poorest possible type of house that municipal bylaws permit to be lived in at all. In Toronto we now have a rehabilitation bylaw which forces property owners to maintain low cost houses under conditions as regards sanitation, and so on, as set out in the bylaw. Failure to comply with the bylaw results in the house being condemned and closed up.

The trouble is that there is no provision for the replacement of low cost houses in this country. If the ability to pay rent is represented by the sum of $12 per month and the economic rent necessary to support the investment is $22 per month, how can there be any replacement except with state assistance? Much is heard of private enterprises, building societies and public utility companies in Great Britain. But there is the problem—a fifty per cent gap between the ability to pay and the economic rent. How can private enterprises, in any form, be expected to enter a field of business which involves a loss of fifty per cent of the capital before you start?

The national housing committee of Great Britain made a report in 1934. The following is a summary of their views as adapted to Canada. If the state enters into a housing program, let us look at what might be called the assets and liabilities. What is the financial liability involved? Let us suppose that the nation, having built 10,000 houses, allows them to be occupied free of rent. Suppose, further, that the cost of the houses, including land, was as high as $3,000 per house, or $30,000,000; then the economic annual cost at 8·7 per cent would be $2,610,000. The supposition that all houses would be occupied free of rent is, of course, absurd. On any reasonable assumption the cost to the exchequer of the investment involved would not be excessive. If all the annual cost to the nation were collected from those occupying the houses, there would be no loss to the state. The fact is that cheap finance minimises subsidy and risk alike through bringing the economic rent within the wage-earner's capacity to pay. There will be a financial liability in respect of housing where land values are high and in respect of certain low paid workers who could not afford a rent of $22 per month, but public finance is already assuming burdens in these respects so that any new burden will not entail entirely fresh obligations but will replace obligations which would arise in any case in the course of granting relief. Beyond this, the risks involved are likely to be small as, on balance, the $22 per month which I have suggested is probably below the average of the rents already being paid under conditions of overcrowding.

It is improbable that at least fifty per cent of the annual cost would not be collected. In this case the annual cost to the nation would be $1,305,000. Against possible liabilities may be set certain very real, if in some cases immeasurable, assets. Good housing means less expenditure on prevention of disease, less crime, greater benefit from education, less unemployability as opposed to unemployment. The elimination of bad conditions has a cash value as well as a moral value to the nation. Further, there are wider economic aspects to consider. The value of decent living conditions to the state has, in my opinion, been too little regarded by the country as a whole. Looking at this aspect from the purely selfish point of view as far as the state is concerned, and considering that upwards of sixty per cent of delinquents come from areas where improper housing obtains, and that a delinquent is a possible embryo criminal, one must face the possible cost to the state in this regard. Each delinquent is a possible liability that with proper housing and living conditions might be converted into a real asset.

The question of absorbing labour by industries catering to a home market becomes an important part of the attack on unemployment. A bold and constructive housing policy will have this effect and will increase employment both directly and indirectly through the activity generated. Tangible assets will be created while, to offset any liabilities on the national finances, the cost of unemployment will be directly reduced and the yield of income tax increased by the profits of those in

building and allied industries as well as of those who benefit from the increased spending power of wage-earners employed through the scheme.

The conclusion is that an effort on the scale indicated would not prove in any way a strain on the nation's financial resources but would contribute materially to its economic recovery. It may be that these figures are not exact, but they are true enough to enable anyone to get a proper view of the serious condition existing as affecting thousands of families in this country who, through no fault of their own, are in one of the categories referred to, and also a view of a possible remedy.

I realize that many difficulties will have to be surmounted in dealing with this problem, but I do not think the problems are insurmountable. The question of competition with private landlords is a troublesome one, but as there is no great likelihood of a substitute program being commenced on a very large scale, this question will, no doubt, become clearer as time goes on.

A housing scheme in Toronto was carried out as the result of an appropriation made by parliament, I believe, about 1921, to relieve the housing shortage. The funds provided by federal authorities were relayed in this form to the provinces, thence to the municipalities and thence to a housing commission, which was set up at that time, not to be confused with the Toronto Housing Company. The money thus loaned to Toronto became a direct liability of the city. The enterprise has not been successful. We must bear in mind, however, that this housing scheme of 1921 was not a low cost housing scheme. That field of housing, in my mind, is not ordinarily to the same extent a basis for government assistance. That field is private enterprise where competition plays its full part.

The low cost housing field, as I have stated, is one in which the principal part that private enterprise can play is to keep going thousands of dilapidated, obsolete, broken down old houses. That is not compatible with a young, rich country like Canada with its great potential wealth and rapidly developing natural resources. The crying need of the moment is for a federal low cost housing policy that will serve the double purpose of replacing obsolete, dilapidated, low cost houses, and thereby creating much needed employment in building and allied trades and raising the standard of housing for thousands of families in this country, gaining all the economic, sociological advantages that such a change would bring about.

[Mr. D. G. Ross.]

I hope the low cost housing problem will receive the earnest consideration of the government and hon. members. Broad and courageous action will bring, I believe, rich, economic and sociological returns. I understand the National Employment Commission and the Minister of Labour (Mr. Rogers) are giving this subject their careful thought.

Mr. VITAL MALLETTE (Jacques-Cartier): Mr. Speaker, in presenting this motion the hon. member for Greenwood (Mr. Massey) made his explanations with his customary skill in debate and convincing eloquence. He dealt with the subject in a manner both thorough and sympathetic, and undoubtedly gained for his motion the support of the house, which is ever on the alert to cooperate in any movement likely to improve conditions for Canadians, especially those in unfortunate circumstances.

In his presentation the hon. member covered his subject so thoroughly that not very much remains to be said, and I should not have risen from my seat did I not believe it to be my duty to offer to my colleagues some suggestions which I believe to be constructive in the fight against slums.

In 1935 parliament adopted the Dominion Housing Act. The object of that legislation, as I understand it, was twofold. First, it was to help people already in possession of a small amount of money to borrow at reasonable rates and for a reasonable period the balance of the sum required to build their own homes, and thereby provide employment. As I have watched the application of the measure in my county I have come to the conclusion that the lending companies are not deeply interested in loans on houses costing less than $5,000, and for that reason people with small salaries are left out in the cold. An agent for the largest of these companies has explained to me that one of the difficulties was that houses in course of erection had to be inspected at least twice a week, and that where a house was being built fifteen or twenty miles from their head office the expense and loss of time in travelling to and fro was so considerable that they could not entertain proposals from other than the larger centres of the dominion. Nevertheless I do not make this statement as a criticism of the measure, because I believe this act was a step in the right direction. As its operations expand I am sure ways and means will be found of making it more useful. To a certain extent it will help the fight against slum conditions that the hon. member for Greenwood has begun to-day.

After passing the Dominion Housing Act we were asked to consider legislation to in-

crease employment by encouraging the repair of rural and urban homes. That, too, was in my opinion a step in the right direction. I have discussed the matter with bank managers with whom I am acquainted, and hon. members will know how sympathetic they are towards would-be borrowers. May I add that at that time I was not a would-be borrower. These men told me that the act was working well, and that they were looking forward with confidence to even better results in the spring. Hon. members may be interested to learn, in passing, that for once in my life I had the privilege of refusing a loan from a bank, and certainly that gives one a thrill.

I submit that while these measures are praiseworthy, if we are to avoid the prevalence of slums we must take steps to stop their increase. One of our first duties should be to help the small home owner to retain his home. When the previous administration introduced the Dominion Housing Act I believe it was received as good legislation. I submit, however, that they put the cart before the horse. In the first instance we had legislation to encourage people to build houses, and later legislation was introduced to encourage the repair of existing houses; but nothing is done for the poor fellow who has a house and who should be encouraged to keep it.

In his eloquent presentation the hon. member for Greenwood referred to the value of the home. All hon. members know its value, and it need not be described in terms of poetry or statistics. We know what the home means, and I for one believe that if we are to go ahead with social legislation of this kind something must be done to help small home owners to retain their ownership. It is my humble opinion that every citizen should own his own home just as he owns his own clothes.

It is said that in the sixteenth century when Francis I, King of France, was planning to send navigators westward to explore the then newly discovered America, representations were made to him that the Spaniards and Portuguese were already in possession. It is reported that the witty King of France, Francis I, known as le roi chevalier, the knight king, replied, "Well, I should like to see the article in Adam's testament which has willed the whole or any part of America to the Spaniards or Portuguese." As regards the ownership of houses or land, I should like to see the article in the same testament which has willed all the good things of this life, including the earth and homes, to just a few privileged people. If when the king of France on that occasion referred to America he had known how conditions in America would develop, I believe he would have been surprised, and most certainly would have agreed that the good things in this country should not be the property of only a more fortunate class.

Hon. members may say it is easy for me or for any other hon. member to make a suggestion as to how best to preserve our homes. I know that if I made a suggestion my good friend the Minister of Finance (Mr. Dunning) would meet me with his blue pencil and say, "How do you propose to do it?" Let me admit at the outset that I am not a great financier. Possibly if I were a great financier such as Sir Herbert Holt, Mr. Wood or Mr. Gundy I might carry more weight when speaking to this honourable chamber, but even as a small financier I have a little plan I should like to present. It is not very long, nor is it difficult to follow. If the preceding government and the present one can find means of producing money for those intending to build or to repair homes, why could not the same provisions be widened so as to include those who want to keep their homes? The government could undertake the responsibility for a small proportion of the loans, just as is being done under the Dominion Housing Act, or under the legislation to increase employment by encouraging the repair of rural and urban homes.

I am told that bank deposits have reached a record high. It is well known that every day insurance companies receive large fortunes through the payment of premiums. Trust companies have huge funds to invest. The banks have had to lower their interest rates as an inducement for people to borrow. The money is available, and might be had, and the beneficial effect of helping small home owners would be tremendous. The first care of the owner is that of taxes, and the second is that of interest on the mortgage. If an owner paid his taxes the money would go to the municipality, which, in turn, would pay its loan to the bank, thereby causing the money to circulate.

I do not wish to be sectional in my observations, but hon. members are no doubt familiar with the small rentiers of the province of Quebec. These people have a few thousand dollars invested in their small properties; the money is out at fairly reasonable rates of interest, and when they do not get the interest they are ruined and have to go on relief. I speak for two classes, namely those who have homes they want to retain, and the small rentiers who are trying to keep their savings loaned on mortgages. I hope

some way may be found to help both classes, and I am sure the minister will give his best attention to any suggestion which is made. In case hon. members may say this suggestion has nothing to do with slum clearance as proposed by the hon. member for Greenwood, I say it has a lot to do with it. It would stop the ever-increasing number of people who are forced to go on relief. I know it has always been said of the people of Canada that everyone should stand on his own feet and fight his own battles. If the present conditions were applicable only to Canada, then I would say there was something wrong, but they are applicable to the whole world. I have no doubt that the government is doing its best to overcome these conditions.

Let us go a step further and try to help this one class which deserves every possible encouragement. I refer to the small home owners. I support the motion to that extent. I hope that speakers who follow me, and who no doubt will be better qualified than I am, will particularly discuss this point, because I believe its merits are obvious.

Hon. CHARLES A. DUNNING (Minister of Finance): Mr. Speaker, I wish to congratulate the hon. member for Greenwood (Mr. Massey) on his manner of presenting the resolution now before the house. I take it that the resolution itself and the hon. member's presentation of it constitute approval of the steps which the government has taken and is attempting to take in connection with this very important matter. I was pleased indeed to note that while the subject lends itself to eloquence—my hon. friend was indeed eloquent—he did not allow his eloquence to carry him away from the practical considerations and realities of the situation. I refer particularly to his recognition of the fact that complete jurisdiction with respect to this problem does not rest in this chamber or in this parliament.

From the time of confederation all measures with respect to the building of houses have been provincial laws or municipal bylaws passed under authority of provincial legislation. We might as well face that fact. Recently we have been put in our place by a very high authority with respect to our powers. Our powers with regard to matters of this kind are limited very largely to paying out the money of all the people of Canada for the benefit of some of the people of Canada, under conditions which are largely affected if not governed by provincial jurisdiction. I am not for one moment saying that we should not assist in the national interest. My purpose in rising was rather to give some information to the house with respect to the working out during its short history of the present Dominion Housing Act.

While the Dominion Housing Act was placed upon the statute books before this administration came into office, in the nature of things it was not at all active. In fact the first loan was made under its provisions in September, 1935. The information I am about to give may be regarded as a year's experience in developing the provisions of the present housing act. Up to the end of January, 1,119 family units had been provided for under the terms of the act. The term "family unit" is used because, as hon. members know, the act applies not only to individual houses but to duplexes and moderate sized apartment buildings. The only way to get any appreciation of the working of the act was to deal with it on the basis of family units. These 1,119 family units were provided at a cost of $5,376,000.

Our experience has been one of endeavouring, through administrative methods and in cooperation with the lending institutions which have entered into agreements under the law, to develop means of overcoming the manifest weaknesses which developed as a result of experience. I am not claiming for one moment that all weaknesses have been overcome. After endeavouring to administer the act during last year I do say that I believe it contains the framework within which can be fitted many very useful housing schemes. We have been compelled to modify the regulations in certain particulars. Having regard to what I said a few moments ago, we must remember that we are operating by agreement.

The major part of the money is supplied by the lending institutions which must comply with the conditions of the act. But these lending institutions are not compelled to lend. I do not think any housing scheme in England, Sweden, Canada or anywhere else is based upon the lender being compelled to lend. There are in existence direct governmental housing schemes in which the element of compulsion by political pressure is present, but in none of the schemes which have been advanced and discussed in this house or which have been considered as suggesting anything useful for our purposes has there been the provision that the lender is compelled to lend. I think everyone will concede that such a principle could not be developed.

On the other hand, the degree of willingness on the part of the lender to lend with reasonable freedom is one of the most vital features of the plan. We have had con-

siderable experience in this regard during the past year. Many members of the house have communicated with me and indicated that in their particular locality, especially in what might be called the smaller communities as distinguished from our great cities, the lending institutions are unwilling to lend under the terms of the act. As a result of investigation and discussion with some of the lending institutions we found that in some cases the objection was to the extremely heavy local taxation which, in the opinion of the lender, rendered his loan unsafe. In other cases objection was raised to the cost of inspecting a few loans. This matter was referred to by the hon. member for Jacques Cartier (Mr. Mallette). The lending institutions found the expense so great as not to warrant their embarking on the granting of loans in these small communities. An endeavour was made to meet this situation and also to meet the complaint that the scheme did not encourage the building of low cost homes, that it operated rather to encourage what might be called the middle field of residential buildings. An effort was made to meet that, partly by the architectural competition held last spring for designs for low cost houses, but mainly by the changes in administration which were made last September by order in council under the authority of the act, designed to encourage the lending institutions to make loans for low cost homes and to make loans in the smaller and more remote communities. In the order in council, authority was secured to bear a greater share of the loss and of the special expenses made in making these two classes of loans—the small loans, and loans in small communities. The original formula for allocating losses was modified. Wherever the lending institution made an 80 per cent loan for an amount of $4,000 or less, the dominion government agreed to bear 80 per cent of the loss in the case of such loans up to $3,000, 75 per cent of the loss where the loan exceeded $3,000 but did not exceed $3,500, and 70 per cent of the loss where the loan exceeded $3,500 but did not exceed $4,000. The effect of this order in council is now becoming more visible, particularly in the erection of the lower cost houses. The average cost per house since the scheme was inaugurated has been $4,861. Obviously that is high. That is not a low cost house. But as evidence of the greater development since September last, as a result of the order in council to which I am referring, I might point out that ninety-nine family units were built in the month of January, and the average cost of the whole ninety-nine was $4,123, a drop in the average for the whole scheme from $4,861 to $4,123, greater emphasis being placed, as these figures show, upon the lower cost unit.

Mr. MASSEY: Will the minister be good enough to state in what parts of Canada these houses were constructed? Was it pretty much all over the country or was it concentrated in any particular areas?

Mr. DUNNING: I could give it by provinces and the figures for some of the larger cities, but it is a pretty long list.

Mr. MASSEY: Just generally.

Mr. DUNNING: In Ontario the number of family units is 472; Quebec, 503; New Brunswick, 13; Nova Scotia, 101; Prince Edward Island, 6; Manitoba, 13; Saskatchewan, nil; Alberta, nil; British Columbia, 11.

With respect to the lower cost houses, I was interested in the remarks of the hon. member for Greenwood (Mr. Massey) with respect to Sweden's experience. I have read quite a bit regarding their scheme. While I have not had the privilege, as my hon. friend had this summer of seeing it, I have, as I am sure he has, studied most of the authorities with regard to it, and I was particularly interested in my hon. friend's citation of figures with respect to the rental cost. I take it he was referring to the lowest cost plan now in force in Sweden in the city of Stockholm.

Mr. MASSEY: Correct.

Mr. DUNNING: And the rental cost was $20?

Mr. MASSEY: Twenty dollars a month for the first ten years; $17.50 for the next ten years, and $7.50 for the last ten years.

Mr. DUNNING: And that included taxes?

Mr. MASSEY: It included everything one can think of, even chimney sweeping.

Mr. DUNNING: The only comparison I can make of what is possible under the Dominion Housing Act is to say that an approved house—that is, all the specifications have been approved by the housing administration of the Department of Finance—containing a living room, kitchen, bathroom, three bedrooms, full basement, central heating, insulated and well constructed—incidentally, the criticism that we have had is that our specifications are too stiff—can be built on an average lot for approximately $2,700. An eighty per cent mortgage would amount to $2,160, leaving an equity of $540 to be supplied by the owner. There is the difficulty.

The monthly cost to pay interest and amortise the principal on that house would be $14.12. I submit that $14.12 to amortise a house of that kind puts it definitely in the category of low cost housing.

Mr. MASSEY: It does not include taxation?

Mr. DUNNING: I am just coming to the joker. The main reason why people who have $500, and who could get a home of that kind of which they would be proud, are not going into the scheme, is not because of any interest factor, not because the $14.12 per month is too much for them, but because the local taxes are what they are, and again I say that is within provincial and municipal jurisdiction.

Mr. HEAPS: The minister stated that the house including the lot could be built for $2,700, and that it comprised six rooms, fully modern. Am I correct in that?

Mr. DUNNING: I prefer my own description, if my hon. friend does not mind, because I know it is accurate. I shall give the description again: "Low cost housing plans have recently been approved"—it is definite, you see—"for a house which can be built in many sections of Canada at a cost of $2,400." I allowed in my statement, when I said $2,700, $300 for the lot. This house contains living room, kitchen, bathroom, three bedrooms, full basement, central heating system. It is also insulated and well constructed.

Mr. HEAPS: With full plumbing?

Mr. DUNNING: I said bathroom. I do not know how one could have a bath without plumbing.

Mr. HEAPS: That is all right, but the cost seems to me extremely low. I have had some experience in housing, and if it can be done at that price it is a revelation to me.

Mr. DUNNING: I shall not dispute with my hon. friend regarding it. I simply say that these matters are necessarily under continual study by the housing administrator, who is a qualified architect. I have already said that one of the criticisms we are receiving is that our specifications are too stiff. At the same time we are anxious, as I put it, not to start building new slums with dominion government aid. We must have minimum standards and decent homes. But one cannot expect a rush to build under a scheme which rests, as I pointed out, on a degree of willingness on the part of private lenders to co-operate. We have not had 100 per cent co-operation in that regard; I admit it frankly.

A number of the great insurance companies have cooperated splendidly, in working under the Dominion Housing Act. Others have not. May I say for the benefit of those who complain of what great corporations do or refuse to do that the least cooperation we have had has been from the local financial institutions in various parts of Canada. The local institutions have not cooperated under the dominion housing scheme to anything like the same extent as the great insurance companies doing business from coast to coast in Canada have done.

I do not intend to take a great deal of time, Mr. Speaker, but I did think it was due the house to be advised of the progress which has been made under the present housing act. Without claiming that it is perfect, I believe that it can be developed at a much greater rate. One of the insurance companies states definitely that it has now five hundred loans in sight for spring building; another company states that it can see two hundred loans coming, from the maritime provinces alone, relating to spring work. One company submitted, on February 3, thirteen loans, all in Nova Scotia. That is an indication of the way in which the use of the act is growing. With respect to growth, I might point out that in the first six months the total amount involved was only $810,000; in the second six months it jumped to $3,037,000, nearly four times as much, and the final quarter of 1936 showed an amount four times as large as during the corresponding quarter of 1935. Of course this is not a great quick-acting hundred million dollar over-night scheme. But I submit that, having regard to the fact that it is wholly experimental, that administrative regulations had to be developed, agreements entered into with all sorts of lending institutions for working under it, and difficulties ironed out from day to day and week to week, $5,300,000 worth of building under the scheme constitutes a fair start. And while we are talking of greater schemes and plans for slum clearance and the rest, I hope the house will not overlook the fact that we have within the four corners of the Dominion Housing Act a possibility of steady, sound growth along lines which will do a great deal of good if we can keep up reasonable cooperation on the part of lenders and if we can deal with the problems associated with loaning in the smaller and more remote communities. There is a very considerable development along that line since the regulation was changed with respect to the cost of inspection. If we can do these things we are accomplishing something, having regard to

the fact I stated at the outset, that while all that flows from bad housing constitutes a national problem, the authority which deals with housing is not in this chamber but in the legislature of each province.

Mr. LAWSON: Would the minister permit a question?

Mr. DUNNING: Certainly.

Mr. LAWSON: I wanted to seek some information in connection with his last statement. Has the minister or the government considered whether there would be any question of jurisdiction if, let us say, the government of Canada through a statute of this parliament, and authorized by this parliament, proceeded to build one hundred houses in any given community? Does any question of jurisdiction enter into that? It is true that the provinces have jurisdiction with respect to property and civil rights, but surely the dominion government can build houses just as they can a public building if they want to.

Mr. DUNNING: I cannot give an answer to a lawyer, but my impression would be that the dominion would have to comply with provincial law with respect to the building of those houses.

Mr. LAWSON: Unquestionably.

Mr. DUNNING: Well, that, of course, is the whole point. I do not deny that this government can give out money, but I am finding it more important than I formerly thought it to be that we should have jurisdiction over what we spend money on. I am finding that particularly in connection with old age pensions, a well intentioned piece of legislation on the part of the dominion, worked out, because of the provincial jurisdiction involved, by means of agreements between the dominion and the provinces. Rather more than a year ago the administration of that legislation was turned over to the Department of Finance. During the coming year it is not going to be an easy task to iron out the difficulties which have arisen, and they rest solely upon the point that we are spending seventy-five per cent of the money but the provinces have the jurisdiction in the administration; we deal with them only by agreement; we can deal with them by withholding that which we agreed to pay, but that is not a very satisfactory method of working out a partnership arrangement. I do not want to be too emphatic on this; I am sure my hon. friend realizes the force of the point as well as I do.

Miss AGNES C. MACPHAIL (Grey-Bruce): I wish first to congratulate the hon. member for Greenwood (Mr. Massey) upon his excellent speech. I was sorry that he was not in the house from 1929 and on to make speeches like that, but I am very glad that he is here now and that he has spoken as he has.

I think we all know now that the time for governments to spend or to encourage spending along such lines as housing is in the depths of a depression. Much as I appreciate the speech just concluded by the Minister of Finance (Mr. Dunning) and glad as I am that the housing act has been followed up by one providing for a renovation of buildings, I am sure that as we get further away from the depression expenditures by governments will be less useful. We ought to have gone early into the housing problem. The scheme should have been ready when the depression started so that we could have gone on with it at the time when the greatest need for employment existed, and there was just as much need for housing then as there is now. However, it is easy to say that; let us bear in mind the days that are to come. When conditions are good is not the time for governments to spend, because individuals are then doing it, but rather when depression comes making extensive individual spending impossible, government activity should greatly increase. I believe that Canada is at least a decade behind the times in evolving or setting up a housing act. I am glad we have it now.

The Minister of Finance touched upon something which we all know is true, when he said that the most difficult problem is to get houses for the low wage groups, whether they are workers who receive a pay envelope or those who live on farms or in smaller communities. Even yet there has not been evolved a plan whereunder people with low wages can be assured of good housing. When we are considering the cost of housing we should be willing, and I think we are, to subtract from that expenditure a good portion of the cost of sanatoria, of hospitalization, of reformatories, of gaols and of penitentiaries, because it need not be proved from the authorities that poor housing leads to poor health and crime and all the allied difficulties and charges they entail. The cost of good housing is never too great, since the better the housing, at any rate up to a reasonable standard, the less will be the costs in these other directions.

I noticed in to-day's Montreal Gazette a statement made by the Child Welfare Association in these words:

Inadequate incomes, poor housing conditions, tuberculosis and lack of understanding regarding

nutritional and mental health needs, are the problems faced to-day by those who are seeking to improve the health of the community.

I am not going to deal particularly with Canadian housing conditions, because that has been well done, and we have available to everybody a series of pamphlets published by the Social Service Council of Canada on that subject, as well as the report of the Bruce commission. But I want to take a few minutes to tell the house something about housing as I saw it in Sweden this summer. I was not able to be in Sweden as long as the hon. member for Greenwood (Mr. Massey)—

Mr. MARTIN: Were you there together?

Miss MACPHAIL: No, nor at the same time, I am sorry to say. But I was very much struck by the housing enterprises, and spent a good deal of time seeing them. It is hardly believable that one third of the city of Stockholm has been rebuilt since 1921 as part of the tremendous building program by which Sweden sought to overcome the depression. That was a building program which in my opinion was carried on at the right time. They went through the small depression, as we did, from 1921 to 1924, and seeing that they might again need an extensive program of public works, when the better times came between 1924 and 1929 they prepared very carefully for public works which would carry them through the next depression. They called them in many cases reserve projects. Not all were of a housing nature, but so much rebuilding was done that one-third of the whole city has been built or rebuilt since 1921.

Mr. ROGERS: By the government, or by private enterprise?

Miss MACPHAIL: In all sorts of ways—some by federal assistance, some by municipalities entirely, and some by cooperatives.

Mr. DUNNING: Some entirely cooperative.

Miss MACPHAIL: Yes, some by cooperatives entirely. Even yet housing in Stockholm is not particularly cheap; it is a difficult city for building. To begin with, it is built on fourteen islands; it is rocky; the cost of the numerous bridges and of the blasting necessary in making excavation makes it expensive, and housing was too dear. That I think is one reason why they have developed such splendid cooperative schemes, because it is not so long ago that housing cost almost fifty per cent of the average income, which was much too high a proportion. This led to a great deal of investigation. They went into several schemes. They have studied housing needs much more thoroughly, I think, than we have. They do not consider that all who want houses have families of about the same size. One thing I found very interesting was that they have houses for elderly people of slender means, started by what they call the flower fund. Instead of sending flowers to show respect at a time of bereavement, people send to the flower fund and with that fund apartment houses have been built for elderly couples. These apartment houses have a central dining room, and trained nurses in attendance. That is a scheme by itself. They are good-looking apartment houses, built particularly for the sort of people who occupy them.

Then I went through some apartment houses built to accommodate five hundred families, who had three or more children. The federal government was anxious that children should not be raised in slums, with resulting ill health and juvenile delinquency. Working with a cooperative concern they build apartments for families of different sizes. Where the parents cannot support the children as the state thinks they should be supported, for a family of three the state, that is, the federal government, pays thirty per cent of the rent. If the family consists of four children the government supply forty per cent of the rent, and for families of five they supply fifty per cent. The H.S.B. house agent who showed us through these particular apartment houses said that on October 1 five hundred such families who were all being assisted by the federal government would move in.

Mr. ROGERS: In speaking of the federal government does my hon. friend mean the national government?

Miss MACPHAIL: Yes, the national government. The agent said further that they planned to accommodate 2,500 such families in Stockholm in the next year or two.

In Sweden over twenty-five per cent of all married women in Stockholm work outside the home. They have built houses designed for such families. In connection with the apartment house there is a nursery, which is complete or separate except that it is in the house. There are facilities to care for the children, sleeping rooms, play rooms and kitchen for the preparing of three meals daily for the children, and a trained nurse in attendance. The particular one that I visited had a central dining room, and a gymnasium which the families in the house could use not only as a gymnasium but also as a concert and lecture hall.

I suppose the best known cooperative concern for house-building in Sweden is the Tenants Savings Bank and Building Society, known to all the people in Sweden as H.S.B. They build three kinds of houses, known as the A, B and C types. In the A type house the person who is going to occupy the apartment—to purchase it really, because they can purchase apartments as well as houses—

Mr. DUNNING: If my hon. friend will permit me, the H.S.B. does not build houses, but apartments?

Miss MACPHAIL: Yes, cooperative apartments.

Mr. MASSEY: They are starting houses this year.

Miss MACPHAIL: A person buying an apartment pays ten per cent down if he wants one of the A type, five per cent down for the B type, and for the C type he pays no deposit at all. The remainder of the purchase price for an A type is apportioned between the city and the state and a private lending company. It is such a mixture of cooperation and private ownership and government assistance that you can hardly tell where one begins and the other ends.

Then this H.S.B. had what I thought a very interesting scheme, and certainly a very useful one. The tenant gets six per cent interest annually on that deposit. If he chooses he need not accept six per cent but can take five per cent and let one per cent go as a premium of insurance which will provide on the death of the wage earner for the return of the entire deposit and annual rent reduction for the family is reduced by twenty per cent, thus providing security which is not provided here.

I visited one group of these H.S.B. houses where there were eight parallel blocks, built north and south so that both sides were open to the sunlight at different times of the day. Each block was separated from others by quite a wide grass plot. Each contained one hundred apartments, mostly one and two rooms with kitchenette and bath. But I should say that in Sweden what they call a two-room apartment is almost equivalent to what would be called four rooms here, because they always have a couple of extra entries or small rooms which are not counted in calling it a two-room apartment. These apartments were occupied by people earning small salaries, but they were very modern. They had laundries and drying rooms; they even had a very neat coffee room in the basement where the women who were doing the laundry could go in and make coffee. It was part dining room and part kitchen, and was a very nice place.

The cost of these blocks of which I am speaking was very moderate. The cost of what they call a one-room apartment with kitchen and bath, which would be equivalent to what we would call a two-room apartment, was about $240 a year, with the larger ones coming higher. In addition they have to pay small sums for the laundry and the nursery. The cost of gas and electricity is not included in the figures I have given. The occupants were mostly skilled workmen receiving from 3,500 to 4,500 kroner per year, that is from $875 to $1,120. The corporation of Stockholm, in some cases I believe in cooperation with the government of Sweden, seems anxious to induce people to go into houses rather than into apartments.

Mr. DUNNING: Did the hon. member see the magic houses?

Miss MACPHAIL: Yes, I was just going to speak of those. We spent the better part of two days looking into magic houses. Certainly they go up like magic; some of them, as far as the framework is concerned, are put up almost in a day. To induce people to go into them the houses had to be relatively cheaper than the apartments, so that the first thing the corporation of Stockholm did was to purchase large tracts of land beyond the city limits, which they then surveyed and laid out in streets. Water mains and sewers were installed and gas and electricity provided for. The projects are called garden cities, and in no case is the land sold; the leasehold is given for sixty years, the occupier paying an annual ground rent amounting to five per cent of the value of the site. In some cases rather expensive homes were put up financed by private money, but what was called the magic house was really a low priced house, almost a cottage, with a nice garden plot, for people of small means.

The corporation of Stockholm employed architects who designed many types of these cheaper houses. Then they prepared standardized material, and the workman who wanted such a house could start building it with practically no cash deposit.

Mr. DUNNING: He contributed his labour.

Miss MACPHAIL: Yes. He has to undertake, under the supervision of an architect, to construct the house. He goes to the warehouses where all this material is kept, selects what he needs and brings it to the lot, and usually starts the construction of the house

by having a bee. He gets as many as possible of his friends to come in the morning, and they start putting up the framework of the house. We saw one house they started that morning. We were in it before six o'clock in the evening and the framework was almost finished; the rafters were on for the roof. After that the man may hire some of his friends, or they may trade work back and forth. They try to get the outside work all done in the summer time. In the fall and winter they do the interior work, the painting and so on. Possibly both the man and his wife who are building this house have other jobs, so they can do the painting and other finishing work only when they are not busy with their regular occupations.

I was in many of the houses, and some of them are really beautiful. As a rule they are nicely furnished, because the Swedes are a very clean people with a fine sense of beauty. A four-room cottage of the kind I am now describing costs about 11,400 kroner or about $2,850. What they call landscape architects are also employed by the city to design the grounds to fit in with the house. I saw some of the raw houses where the grounds were not finished; I saw some houses where the gardens had been started, and I also saw houses where the gardens were three or four years old. These last were really beautiful, though I could hardly say that all the houses were beautiful. Some of them were pretty ugly, but they were all very comfortable.

There were many things to show how proud they were of their houses. I remember the pride with which they showed us all through, pointing out all the details. They were anxious that the H.S.B. man should let us see how splendid the housing project was. Not long ago I read an article in the Toronto Saturday Night, written by the hon. member for Greenwood, in which the hon. member mentioned the fact that these people had pride of ownership. In fact one man had a sign outside, reading "Small, but mine own."

Mr. DUNNING: About how many houses have been built under that plan?

Miss MACPHAIL: It must run into thousands. There are ever so many garden cities at different points surrounding Stockholm.

Mr. DUNNING: All under the same plan?

Miss MACPHAIL: Yes. Certainly they never will become slums; the pride of ownership will prevent that. I did not see any indication that there was not as much pride of ownership in the apartments, but there is something about walking out of your own door into your own garden that you cannot get in an apartment. But in their wisdom the Swedes have tried to fill this gap in the life of people who dwell in apartments. In both Denmark and Sweden, as a matter of fact, anyone living in an apartment can, if he wishes, have a garden plot on the outskirts of the city, with a garden house on the plot. They are really things of great beauty, because roses grow very easily in both these countries. The garden house is often as pretty a little place as any summer house could be. Of course it is very small, it is intended only for holidays and Sundays, when the apartment dweller comes to enjoy his garden.

I did feel, after visiting Denmark and Sweden in particular, that in matters of housing and health, as in many other things, they were setting a pace for all other countries, and I think we have a great deal to learn from their experience. I do not say that we could do just what they have done, because conditions are different here, but I do think that if we start off by thinking that good housing for all the people is the greatest national investment we can make, we will be able to overcome all the obstacles that stand in the way of the realization of that objective.

Hon. J. E. LAWSON (York South): Mr. Speaker, I should like to return immediately to the question I suggested to the Minister of Finance (Mr. Dunning). It seems to me that in matters of jurisdiction we are so often inclined to consider the question in regard to some involved scheme whereby the dominion in cooperation with the provinces, or the dominion in cooperation with the lending agencies, or the dominion in cooperation with somebody else, should do this, that or the other thing. I should like to suggest—and I am just making only a suggestion in that regard—that when the Minister of Finance is considering the housing problem, as apparently he is considering it, he might have advice from the Department of Justice with respect to a simple scheme, somewhat along the lines I am going to suggest.

Let me assume that the government introduced into the parliament of Canada, either by way of amendment to the present housing act—which the minister thinks has some virtue—or by a new act, a dominion housing scheme under which a commission was appointed; the government borrowed and advanced money to that commission with which to build houses; the commission constructed, in any particular province or municipality, so many houses which it sold on a rental basis

plan, such as has been outlined by the minister this afternoon, as to monthly payments. Under such a scheme would there be any question as to the jurisdiction of such a housing commission appointed by parliament to carry on?

Mr. DUNNING: Would the hon. member permit me to answer?

Mr. LAWSON: Yes.

Mr. DUNNING: I can give an illustration by pointing out that the people who bought or rented those houses would immediately be subject to provincial and local taxation which, as I was indicating, is the big handicap in developing any housing scheme to-day. We could not control that.

Mr. LAWSON: I realize that, but the quantum of taxation has nothing in the world to do with the question of the jurisdiction of this parliament to do something. That is the point I am trying to make.

Mr. ROGERS: The hon. member is distinguishing between slum clearance and low cost housing.

Mr. LAWSON: I care not whether a distinction is drawn.

Mr. ROGERS: But on the point of jurisdiction surely there is a distinction.

Mr. LAWSON: The only suggestion I would make to the minister in connection with jurisdiction would be that of creating a certain number of low cost houses, if the government were so inclined, after investigation.

Mr. ROGERS: But slum clearance brings up the question of jurisdiction.

Mr. LAWSON: Unquestionably. What brought it to my mind was the excellent information given the house this afternoon by the Minister of Finance (Mr. Dunning). I should not wish one word of mine to detract from the laudable objective behind the resolution before the house, but I do feel that there is a correlative problem which any government should consider and with respect to which it should act concurrently, in dealing with any housing problem. I refer to the matter mentioned this afternoon by the hon. member for Jacques-Cartier (Mr. Mallette) who gave expression to an idea which I had in mind.

Frequently in the house I have heard reference to the forgotten man. Usually, when that expression is used, we refer to the taxpayer. I have frequently thought, however, that if there is one man who is more forgotten than all other forgotten men, it is the home owner who has been burdened by direct municipal taxation, as outlined by the Minister of Finance this afternoon.

Mr. FACTOR: And who is paying high rates of interest.

Mr. LAWSON: Yes, and paying high rates of interest. I shall touch upon that point later. As I see it, the difficulty has been that the municipality has had only two sources of taxation, one property and the other income. In their wisdom, some of the provinces have seen fit to take from the municipalities the power to tax income, and hence the whole burden of taxation in the municipality is to-day almost a direct tax upon real property. Unless some readjustment is made with respect to taxation between municipalities and provinces, I say seriously that in my opinion a tremendous number of urban and suburban municipalities cannot possibly survive. I realize that is not a problem for this parliament, but I suggest that in any scheme which may be considered or brought down by the Minister of Finance or the government, we should be careful to make sure that by legislation we do not place any additional burden by way of property tax on the home owner in a municipality.

May I illustrate how such a burden could be created. Let us assume that a scheme has been in effect, and that to-morrow we go into municipality A to build one hundred or one thousand new homes. In all probability the streets which we would lay out and upon which we would build the homes would not have local improvements. The new houses would have to be serviced with water service, sewers, roadways and sidewalks. In Ontario and, I believe, in two other provinces only a proportion of the cost of those new local improvements would be assessed against the house receiving the benefit. A proportion of the cost of local improvements, usually about twenty-five per cent, is spread over the whole municipality, and creates an additional burden upon the man who already owns a home in the municipality.

I believe it is incumbent upon the house to take care that in legislation we do not create an additional burden. This afternoon the minister outlined the progress being made under the Dominion Housing Act. A few days ago he indicated his hopes and aspirations as to what might be accomplished in providing employment through the new measure for the renovation of homes. I am thoroughly confident that neither of these measures will meet with the success I believe the minister anticipates. I say they will not for two reasons: One, that literally thousands

of people in Canada are losing homes they now have and, two, the burden of direct property tax, which I have already mentioned.

To a great extent Canada is a nation of home owners. In looking over the most recent census figures, I was surprised to observe that of all urban and suburban householders in Canada in 1931 approximately 47 per cent were home owners. In my own province of Ontario, of all suburban and urban house holders approximately 52½ per cent are home owners. It is for these people that I plead with the minister this afternoon. In literally hundreds of cases working men in Canada have purchased or built homes in days when they had full pay envelopes and a reasonable measure of prosperity. In many cases that was done by dint of frugal living, saving and hard work. Then came the depression. Because of diminishing pay envelopes and, in some instances, envelopes which ceased to be received, and by reason of heavy municipal taxation plus a high interest rate to which reference was made by the hon. member for Spadina (Mr. Factor), hundreds of these people have lost their homes, and thousands to-day are in danger of losing them. In many instances interest rates ran as high as seven or eight per cent. I suggest that it is not going to avail us much if we clean up one slum only to create another, and I urge that in any scheme under consideration, care should be taken of those home owners who are likely to lose their homes.

I am not so sure that the suggestion made by the hon. member for Jacques-Cartier is feasible. However, if I may, I should like to make one, although the minister may not think my suggestion is feasible.

Mr. DUNNING: I realize this is a difficult question, and I am looking for ideas.

Mr. LAWSON: The former government passed two pieces of legislation, the Farmers' Creditors Arrangement Act and the Farm Loan Act. A combination of those two measures enabled the harassed farmer to remain upon his farm and to get a reasonable adjustment of his debts. Under the aegis of the farm loan board he was enabled to borrow money at a lower rate of interest.

Mr. DUNNING: I wish it worked that way, but it did not.

Mr. LAWSON: I can only say that while I have received complaints from persons who had loans on farms concerning rates of interest being reduced, nevertheless every time I talk to any people associated with the administration of the acts I meet enthusiasm. Every time I talk to a fellow who happens to be a debtor instead of a creditor, he seems to have got some relief.

Mr. DUNNING: When I said it did not work that way, I meant the combination of the two acts, that the combining of the two did not prove successful.

Mr. LAWSON: I believe a combination of an adaptation of these two acts would salvage thousands of homes for home owners in our urban and suburban municipalities. I am not one of those who will rise in his place in parliament and urge upon a government of which I do not happen to be a member that it should embark upon some wild scheme which cannot be financed on a sound basis. However, I do believe there are thousands of homes in this country that could be saved if the means were made available to the home owners to have their loans readjusted at a low rate of interest which it would be possible for the dominion to provide. If a home owner could have his payments amortised and if he were given a short space of time, say six months or a year, before he had to start making his first payment, he would be able to save his home.

I am quite willing to admit that in some cases the payments would not be met, but I doubt whether there would be many cases where losses would occur. The loan on the average house would not be such that it could not ultimately be got out of the property. Do not think for a moment I am suggesting that we endeavour to save the home of a man who has a first mortgage of $3,000 and a second mortgage of $1,500 on a home for which he paid $5,000 in boom days.

Mr. DUNNING: That is the fellow who needs help the most.

Mr. LAWSON: I am not so sure that it is. The man who needs it the most—I could take the minister to hundreds of them in the riding I represent—is the man who has either built his own little home or bought it, and over a period of five, ten or fifteen years has been paying out of his wages in order to obtain an equity of ownership in that home. That is the man to whom I want consideration given. Even if some losses were incurred under such a scheme, I believe it would be worth it. We shall never have any finer citizens in this country than the home owners. Show me a nation of home owners and I shall show you a nation that will progress to new heights by evolution and never be torn asunder by revolution. The home owner is the stakeholder in this country. It is for him that I make my plea. Laudable and desirable

though it may be that we should have housing schemes, I suggest to the minister that if any such schemes are to be proposed, he consider concurrently and endeavour to bring in legislation which will give relief to the home owners whose problem I have tried to outline in the last few minutes.

Mr. O. B. ELLIOTT (Kindersley): Mr. Speaker, this subject seems to have resolved itself more or less into a matter of finance. The question has been covered thoroughly from many angles and in my remarks I shall endeavour to avoid repeating what has been said already. The Dominion Fire Prevention Association prepared a statement of certain facts which was read at the convention of the maritime provinces chiefs of fire departments held at Kentville, Nova Scotia, on July 15, 1936. The statement reads as follows:

Sixty-five per cent of our people now live in houses of the cheapest construction, ill equipped and poorly adapted to obvious needs—and one-quarter of the families of the dominion live in accommodations of three rooms or less, while nearly 160,000 families live in one and two room dwellings lacking sanitary conveniences and efficient heating—investigation has revealed.

My purpose in taking part in this debate is to endeavour to prove conclusively, from figures taken from the Canada Year Book and the Labour Gazette, that it is financially impossible for nearly ninety-five per cent of the people of Canada to build themselves homes, even of the cheapest type. Among the facts that should not be ignored in any attempt to solve the housing problem is the social and economic condition of the people. One out of every ten of the entire population of Canada is existing on relief at the present time. Notwithstanding their needs, these people cannot hope to change their living conditions. Of the remainder of the population who are permanently employed, the average earnings are less than $18 per week. If I understood the hon. member for Jacques-Cartier (Mr. Mallette) correctly, he said that there was sufficient money in the country somewhere to provide loans for the building of these homes. I should like to place on Hansard a statement which will show where some of this money is at the present time. I direct attention to a report in the Edmonton Bulletin of September 12, 1936, of a statement by Mr. W. A. Bog, general manager of the Bank of Montreal, with reference to deposits in the chartered banks of Canada. The report says:

"The two greatest depositories for the savings of Canadians in all walks of life are the banks and insurance companies," declared W. A. Bog, general manager, at the bank of Montreal's annual meeting.

Continuing, he said: "There were on 31st October, 1935, over 4,600,000 depositors in the chartered banks with deposits aggregating $2,090,508,000, representing an average of about $450 for each account. It is estimated that there are 3,500,000 life insurance policy holders in Canada and that the assets by which this insurance is protected amount to over $2,000,000,000.

A great part of these funds belonging to depositors and policy holders is invested in securities. The protection of the savings of Canadians, built up so laboriously and with such self denial over the course of years to ensure a measure of security in old age or to provide for dependants after death, is and always has been the first consideration of this bank and should also be that of all government authorities. In most instances, these savings are not large and a loss of only a small portion of the principal is sufficient in many cases to bring want and anxiety.

Any policy which would tend to weaken the sanctity of contracts is to be deprecated as, in addition to harming those who can least afford to bear losses, such a policy would strike at the very core of our economic order, for when there is lack of confidence, a slakening of business activity takes place, bringing unemployment in its train."

Without an investigation of the truth of the statement that the average deposit in the chartered banks is $450, it might convey the idea that we are becoming fairly prosperous. Nothing is further from the truth, as regards both the average depositor and prosperity in general. The article stresses the fact that we must not lose confidence; but how can we have confidence, especially in our banking system, when we can so easily detect this thinly disguised effort to deceive us by not giving all the facts? If one turns to page 910 of the year book of 1936, one will find a statement of deposits as at October 31, 1935. They are segregated in this manner: There were 4,290,695 depositors, having on deposit $501,881,610, grouped as having less than $1,000 each; 302,743 depositors, having on deposit $598,611,600, grouped as having $1,000 to $5,000 each; 41,815 depositors, having on deposit $376,319,432, grouped as having $5,000 to $25,000 each; 4,402 depositors, having on deposit $199,461,844, grouped as having $25,000 to $100,000 each; 1,223 depositors, having on deposit $407,229,739, grouped as having over $100,000 each.

These figures become even more significant when taken as averages. They show that 92⅝ per cent of the depositors in our chartered banks have an average deposit of $117, or 24 per cent of the entire deposits; 6¼ per cent average $1,977, or 28½ per cent; one per cent average $8,760, or 18 per cent; one-tenth of one per cent average $45,311, or 9½ per cent; one-thirty-eighth of one per cent average $33,976, or 20 per cent. Approx-

imately 7⅜ per cent of the depositors own 76 per cent of the deposits. So there should be no difficulty in understanding why at least 92⅝ per cent of our population cannot take advantage of the house building plan. If for no other reason it is because they are minus the owner's equity of 20 per cent.

Now let us consider the wages of various groups to ascertain if the wages are sufficient to cover living expenses and leave a surplus enough for the repayment of a loan as provided by the housing plan. At pages 708 and 709 of the Labour Gazette for August, 1936, are given statistics collected by the bureau of statistics and taken from MacLeans Building Reports for 1934, as follows:

Construction Trades

	Employees	Average wages
Construction and trade contractors and sub-contractors	37,561	$745
Cities, towns, villages, municipalities	49,946	385
Harbour commissions	1,137	882
Provincial government departments	44,810	545
Dominion government departments	24,405	493
Total	157,859	
Average		$536

Those are for the construction trades, construction and trade contractors and subcontractors.

Approximately one-half of the construction this year was done directly by government authorities, and if we take the average wage paid to these people in the different provinces we get the following results:

	Average wage paid
Prince Edward Island	$474
Nova Scotia	662
New Brunswick	481
Quebec	556
Ontario	544
Manitoba	514
Saskatchewan	321
Alberta	408
British Columbia	483

We also find that the minimum wages for the various provinces in retail stores average $12 per week or $504 per year, taking an average of 42 weeks. To be perfectly fair in this comparison, I have taken the fair wage agreements with the contractors as shown on pages 93 and 94 of the Labour Gazette for 1937, in companies constructing buildings and earth traverses at the dominion arsenal at Valcartier, Quebec, which can be considered about the highest average wage paid in the dominion to-day.

From a list of 39 occupations I find that men working 44 hours per week earn 65 cents an hour for the average year of 42 weeks, which gives them an annual income of $1,201.20.

Now let us review the cost of the family budget, as taken from the January issue of the Labour Gazette, covering a family of five, and this does not include clothing, entertainment, medical attention, education, transportation, cosmetics, tobacco, and so forth, but comprises only a very meagre supply of foods, laundry, fuel, light and rent. The weekly cost is averaged at $16.99, or a total of $883.48 a year. So, if we deduct the amount of the average budget from even the highest average wage, there remains a balance of only $317.72 per year.

To aggravate the situation still further, I find that the average index of wholesale prices for building materials increased 4 per cent in the first eleven months of 1936, while at the same time the index value of permits decreased 5·2 per cent. It is difficult to gain confidence in a situation like this where an increase in income is immediately accompanied by an increase in the price of commodities equal to, if not always, greater than the increase in income.

A list of loans made during the year is shown at page 112 of Hansard of January 20 last. These figures must have been just prior to the ones which were given to the house by the Minister of Finance (Mr. Dunning) this afternoon. These figures bear out my contention that the class of people most in need of homes are unable to avail themselves of the loan privileges because of insufficient income. The figures for the various provinces are as follows:

Provinces	No. of loans	Average	Amount	Family Units	Average loan
Prince Edward Island	6	$5,394	$ 32,364	6	$5,394
Nova Scotia	94	4,475	420,737	96	4,382
New Brunswick	12	3,765	45,179	13	3,475
Quebec	231	9,668	2,233,394	467	4,782
Ontario	359	5,863	2,104,085	418	5,033
Manitoba	12	8,380	100,564	12	8,380
Saskatchewan	nil	....	....	..	....
Alberta	nil	....	....	..	....
British Columbia	10	3,150	31,500	10	3,150

It will be quite understood that the cost of building in British Columbia would be much less than in Saskatchewan and other prairie provinces owing to the difference in the price of commodities and building materials.

Saskatchewan, the third largest province in percentage of population, with 21·67 per cent on relief, has been unable to avail itself of any benefits from this scheme. Perhaps this is because we have the lowest average wage scale in the dominion, in addition to high freight rates on building materials imported into the province.

It has become absolutely plain that the idea of cooperating with loan companies to put out home-building loans will not result in any substantial volume of business within a reasonable time. The business alternative is to make government loans direct without relying on any middleman agency. Companies naturally want profitable business for the companies and the need for ending unemployment is not a company object. To substantiate that statement I would point out that one of the largest financial institutions in this country, namely the chartered banks, has apparently been doing considerable toward helping the unemployment problem by unemploying men. The Canada Year Book for 1936 contains figures showing that from 1920 to December 31, 1935, the banks have closed 1,245 branches in Canada. In Prince Edward Island they have closed 14; in Nova Scotia, 35; in New Brunswick, 24; in Quebec, 77; in Ontario, 363; in Manitoba, 165; in Saskatchewan, 301—over 50 per cent—in Alberta, 215; in British Columbia, 52. In the Yukon one branch was opened, increasing the number from three to four.

The housing problem in Canada is not solely one of monetary returns. It involves the more fundamental question of whether we are civilized or not and whether we are prepared to follow in the path of better housing conditions blazed by Britain and other countries. The fundamental question of whether we are civilized or not is easily answered. So long as this nation has money issuing power and allows its people to subsist on relief just one stage removed from physical distress, this nation is not civilized and I doubt whether it is wholly Christian. Under present money famine conditions the earning power of the nation is rigidly held down far below the basis justified by the available national assets. These assets cannot be brought into active earning profitable account without the use of money. The only way to get the necessary money at work is to break the money famine, and the only power to break the money famine is in the hands of the government.

There are several adjustments, no doubt, that would aid in this direction. We find the statement by James F. Coughlin, K.C., in his pamphlet Housing and Slum Clearance, with regard to taxation in the different cities:

> In the city of Winnipeg, the tax sales are proceeding at such a rate that the assessment roles are being seriously diminished; the 1935 tax sale list included 2,250 parcels representing arrears of $1,128,000, and on the list were 606 homes occupied by their owners, and 527 other houses which were believed to be occupied by their owners.

In the city of Regina, the mayor says, they have reached the point of confiscation of all real estate. And so the story goes through all the western provinces. No doubt the same may be said about eastern Canada.

To my mind the rates of interest in this housing plan are altogether too high. If it is necessary that the banks shall discontinue the payment of all interest charges to depositors in order to reduce the interest rate, I am absolutely in accord with that program. Freight rates also should be adjusted so that those points which are removed from the source of supply shall be placed in some kind of a zone system, whereby such distant places will not be penalized because of their geographical position. There should be a reduction of taxation on homes, and above all else, security for regular income; that, I think, is one of the more important features of our community life. At the present time many people who are able to build homes are not doing so because they have no security for their income, and in many cases where I inquired of people who could build homes why they had not done so, they invariably declared that it would not be safe. If they keep their money in liquid assets, in the event of losing their positions they can always remove it to other districts.

Mr. H. J. PLAXTON (Trinity): I wish to contribute a few thoughts to this very interesting and vital discussion. It seems to me that the problem of reviving the building industry must be attacked on two fronts: one, by the governments, federal, provincial and municipal, of this country, the other by private capital; its responsibility in this connection is just as serious and profound as the responsibility which is charged to the government under the resolution now before the house. It is true that it is the government's responsibility to assume the task of clearing slums in this country. There are many reasons available to support that state-

ment. For instance, one has only to review the experience of the house building industry in England to find support for my conclusion. At the moment there are perhaps two fairly obvious reasons to sustain what I have just said. In the first place, I do not think that any fair-minded person can ask private capital to engage in slum clearance. Speaking with intimate knowledge with respect to my own riding, I know that rents have fallen to such low levels in that particular urban centre that it is absolutely uneconomic and impossible for private capital to engage in the clearance of slums or near slums. Second, as has been mentioned by previous speakers, there is the grave question of jurisdiction, and it is a right peculiar to municipal governments and not to private capital to enforce the tearing down of obsolescent homes. That has been the experience in England, and I think we shall find that it will prove to be the experience in this country. To that extent I must support the resolution before this house.

But what is the duty of private capital? It seems to me that if private capital wishes to maintain as its exclusive field for investment that which it has had for many years, namely, the first mortgage lending and building industry field, it is the obligation of private capital in this country to provide long term cheap money to enable the building industry not only to fill the shortage of homes which has accumulated during the last seven years, due to the total stagnation of that business, but also to provide on a mass scale low cost homes for the wage earners of this country on a basis and terms which will permit of repayment. Private capital in the last seven years has dodged that responsibility. It has tried to maintain a system of first mortgage lending which is absolutely antiquated, and, if I may refer again to England for experience, should have gone out of practice about the time when hoop skirts disappeared. It is the job of private capital—if I may personify it—to provide the financing for mass production of low cost housing in this country. So, if people say to the governments of this country, wake up, and attack this problem of reviving the building industry, I say it with greater emphasis to private capital, because for the last seven years it has passed up the prime field for investment in this country, namely, real estate.

Mr. T. L. CHURCH (Broadview): In the few minutes that remain this afternoon I wish to say a few words on this motion, as in 1935 and 1936 I introduced this question. What the Minister of Finance (Mr. Dunning) has said is nearly the same speech he made last year on a motion introduced by me in regard to housing, and the same speech he made the year before last when a committee was appointed to go into the whole question. But I say to the Minister of Finance, notwithstanding everything he said to-day, that in 1919 Doctor Hastings, medical health officer of Toronto, and I helped to persuade the government to lend $25,000,000 to the municipalities for construction of houses, and every dollar of that was paid back. The motion of mine discussed last year as recorded on page 221 of Hansard, stated:

> That, in the opinion of this house, Canada should immediately adopt a comprehensive national housing, building, reconstruction, renovation, slum clearance, land settlement and reforestation policy adapted to its circumstances and also embracing as one of its main features a national policy for youth in relation to education and industry and employment, so as to get people off the dole and back to remunerative employment.
>
> And further, that this house is also of the opinion, that in any such national reconstruction policy a lower rate structure for bank, mortgage and insurance loans is an immediate necessity. Such a reconstruction policy to also embrace protection for industrial workers in urban and suburban areas from forfeiture on the same principle as farmers and fishermen are now afforded by existing legislation.

Now, that debate went on all afternoon and evening at that time, and it is a strange thing that the government to-day has practically the very same reply to this resolution. The municipalities are the only bodies who ever pay money back. This parliament spent over two billions on railways, hardly a dollar of which has been paid back, and on other works such as breakwaters and harbours. Does the Quebec harbour commission pay money back? No. The only people who repay are the municipalities; yet they get no help. The Minister of Finance wants to do something to help housing and slum clearance, let him do something to lower bank and mortgage rates and insurance charges. These companies came here and appeared before the committees two years ago and they have no idea except to keep up the rates.

It is for the minister to offer a policy. Is or is not housing a matter of national policy? The answer is Yes, it is. It was found to be so in England, in the United States, and it is so in Canada, because an emergency exists, and was found to be so by the committee in 1935. But every time it is proposed to do something for the industrial workers in the cities and towns of this country, fifty-one per cent of the people never

can get any help at all. All the government of the day do is appoint a lot of useless commissions like this National Employment Commission, who do nothing and do it well. They just go around in a circle. The minister can find all this in the housing committee's report. Doctor Coats of the bureau of statistics showed that the municipal, provincial and dominion authorities were spending $100,000,000 on relief, about $70,000,000 of which could be saved and given back in reconstruction work if it were spent on slum clearance and housing. The financial situation is bad, I admit, but this is a federal problem and upon the government of the day rests the responsibility of solving it. It is being solved in England and England is recovering faster than any country in the world because of balanced budgets, tariffs and a sane policy on housing and reconstruction.

I do not wish to prevent the mover of the resolution (Mr. Massey) from saying a word or two before six o'clock, but let me say that in the old days everyone owned some property in Canada, a mill, a store, a factory or land. We have been slow to see how the ownership of private property has been taken away by big business in Canada. The right to ownership or private property is derived from nature, not from man, and the state has no right to take it away, but only control it. But all this parliament does is to do nothing. The government have appointed three or four useless commissions. Another bill dealt with the other day—I refer to Bill No. 11, respecting home owners—will lead to nothing but a glorious fiasco. I was in a bank the other day and saw a workman there who has a first mortgage and a second mortgage on his home, a chattel mortgage on his goods and a bill of sale and a mechanic's lien and the bailiff in possession for taxes. How can he get any relief out of this glorious fiasco proposed by the Minister of Finance of a loan from a bank when the man has nothing?

I was sorry to hear reference made to-day to what the city of Toronto has done. It has been a pioneer in public health, in housing and in slum clearance from 1914. In 1914 it gave the first guarantee of bonds; the great Doctor Hastings led Canada in public health and the elimination of slums. I can tell the hon. member for Mount Royal (Mr. Walsh) that Montreal is badly in need of a clean-up on slums by a health officer like Doctor Hastings.

I may have something further to say on the third reading of Bill No. 11, because it looks to me as if this is not private members' day; the government might just as well abolish private members' day; all this session the leaders have monopolized the time. I understand the mover of the motion wishes to reply, so I shall say no more now, but I am glad to see the large number of new members of this house climbing on the bandwagon for housing and construction and slum reform, glad to see the hon. member for York South (Mr. Lawson) also getting active, because two years ago I did not approve when the then government appropriated $10,000,000 and spent $1,000,000. It was not the housing policy of my resolution on which the committee was formed.

Mr. WALSH: May I say in reply to the hon. member that the city of Montreal would have been heard from to good effect this afternoon if it had not been for the peculiar action of the whips on either side of this house.

Mr. CHURCH: The working people of Toronto have very little to thank the hon. member for, however, in the way he spoke the other day about the textile matter. I did not prevent him from speaking, though.

At six o'clock the house adjourned, without question put, pursuant to standing order.

Thursday, February 11, 1937

The house met at three o'clock.

STANDING ORDERS COMMITTEE

Mr. S. W. JACOBS (Cartier) moved that the first report of the standing committee on standing orders be concurred in.

Motion agreed to.

MARINE AND FISHERIES

Mr. A. E. MacLEAN (Prince) presented the first report of the standing committee on marine and fisheries, and moved that the report be concurred in.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

TONEY RIVER, N.S., BREAKWATER

Mr. BROOKS:

1. What is the total amount of expenditure in 1936 in respect to breakwater at Toney River, Pictou county, Nova Scotia?
2. Who was the foreman or person in charge of the work?
3. What is the rate of pay allowed such foreman or person in charge; for how many days was he allowed pay; what is the total paid to him?

4. If any balance remains unpaid, what is the amount of such balance?

Mr. CARDIN:

1. $6,767.07.
2. W. Scott MacDonald.
3. (a) $4.50 per day; (b) 102 days; (c) $459.
4. District engineer reports a further amount of $80.25 for labour has now been passed for payment.

NATIONAL EMPLOYMENT COMMISSION

Mr. DOUGLAS:

1. What was the date of appointment of each member of the National Employment Commission?
2. What was the amount of travelling expenses and living allowance paid to each member?
3. Does the $20 per day salary paid to certain members of the commission include Sundays and holidays?

Mr. ROGERS:

1. May 13, 1936.

2.

Name	Travelling expenses $	Living allowance $
A. B. Purvis..	....	....
A. N. McLean..	1,141 07	....
Alfred Marois..	603 75	1,843
Tom Moore..	228 95	....
Mrs. M. Sutherland..	2,151 93	3,439
W. A. Mackintosh..	771 98	1,425
E. J. Young..	1,538 25	3,021

3. No. They are paid for working days only.

CAPE TORMENTINE—BORDEN CAR FERRY

Mr. KIRK:

1. What were the total receipts from the operation of the car ferry from Cape Tormentine to Borden from January 1, 1936, to January 1, 1937?
2. What were the operating costs of the said car ferry between the same dates?
3. What is the amount of the annual interest charges upon the initial cost of the said car ferry and terminals at Borden and Cape Tormentine?

Mr. HOWE:

1. $96,606.97.
2. $393,846.73.
3. $379,487.25.

HARRINGTON EAST, QUE., POST OFFICE

Sir GEORGE PERLEY:

1. In what year was the post office at Harrington East, Quebec, first established?
2. Has it been closed?
3. If so, (a) for what reason; (b) did the people using the post office wish to have this done; or (c) did they petition against its being closed?

[Mr. Brooks.]

Mr. ELLIOTT (Middlesex):

1. 1st August, 1856.
2. No.
3. Objections were received in the form of a petition.

CANDLE LAKE, SASK., POSTMASTER

Mr. COLDWELL:

1. Who is the postmaster at Candle Lake, Saskatchewan?
2. When was the appointment made?
3. Was the position advertised?
4. What is the salary involved?
5. Who carries the mail between Candle Lake post office and Meath Park, Saskatchewan?
6. When did the present carrier begin his duties?
7. Was this work advertised or were tenders invited?
8. If so, who applied, and at what salary or tender?
9. What is the present carrier being paid?

Mr. ELLIOTT (Middlesex):

1. Mrs. Sadie Grier.
2. 23rd Ocober, 1936, on the inauguration of post office.
3. No, not necessary.
4. $100 a year.
5. Simon Lehne.
6. October 23rd, 1936.

7 and 8. No. A reasonable rate being available, temporary arrangements were made in order to permit prompt opening of post office. It is the intention to invite public tenders for a permanent contract at an early date.

9. $260 per annum.

POST OFFICE—LETTER CARRIER DELIVERIES

Mr. MAYBANK:

1. Did the government recently change the hours of service of postal employees so as to make deliveries of mail more frequent?
2. If so, what changes were made?
3. Was any estimate made as to the number of additional persons who would be employed as a result of such changes?
4. What was the number so estimated?
5. What was the number so estimated for each of the provinces of Canada?

Mr. ELLIOTT (Middlesex):

1 and 2. Continuous service is now given six days a week. This involves letter carrier delivery on Saturday afternoons and statutory holidays.

3. Yes.
4. 478.
5. Nova Scotia, 13; New Brunswick, 15; Prince Edward Island, 2; Quebec, 118; Ontario, 193; Manitoba, 33; Saskatchewan, 24; Alberta, 31; British Columbia, 49.

POSTAL EMPLOYEES TRADE UNION

Mr. MAYBANK:

1. Are the employees of the Post Office Department organized into a trade union?
2. If so, what is the name of said trade union?
3. Does the Post Office Department deal with the accredited representatives of said trade union from time to time, recognizing them as the proper representatives of the men employed in the post office?
4. Did the Post Office Department discuss with said accredited representatives changes in postal service making for greater frequency of delivery before said changes were effected?
5. Does the Post Office Department recognize the principle of collective bargaining with the employees of the Post Office Department?

Mr. ELLIOTT (Middlesex):

1. There are several unions or organizations amongst postal employees.
2. The names of the organizations are Federated Association of Letter Carriers; Canadian Postal Employees; Amalgamated Civil Servants of Canada; Railway Mail Clerks' Federation.
3. Questions affecting working conditions and the welfare of staffs are discussed with the representatives of the various organizations.
4. Yes.
5. This is a matter of government policy.

MARKET GARDEN IMPORTATIONS FROM THE UNITED STATES

Mr. LENNARD:

1. What was the approximate value of the market garden products imported into Canada from the United States during the year 1936?
2. What was the approximate value of market garden products exported to the United States during the same period?

Mr. ROGERS:

1. Imports of fresh vegetables into Canada from United States in 1936 amounted to $3,785,505.
2. Exports of fresh vegetables from Canada to United States in 1936 amounted to $1,970,794.

LOWER BURLINGTON, N.S., GOVERNMENT WHARF

Mr. BROOKS:

1. What amount was authorized for expenditure on the government wharf at Lower Burlington, Hants county, Nova Scotia, in the year 1936?
2. What amount was expended on said wharf, to whom paid, and what amount as: (a) salaries; (b) wages; (c) material; (d) other expenditures?
3. Who was in charge of the work, and who was the foreman?

Mr. CARDIN:

1. $2,800.
2. (a) and (b) Clifford Sanford, $285.74; Percy Tucker, $178.80; Gesner Tucker, $132.00; Ernest Lycett, $76.80; George Wilson, $133.20; Chas. Salter, $60.00; Thomas Benedict, $135.90; John Walker, $24.00; Orland Card, $66.30; Alvin Burgess, $56.40; Clarence Card, $95.15; Lorimer Bryden, $57.60; Edgar Card, $165.00; Merton Burgess, $15.40; Alfred Marsters, $51.60; Lewis Marsters, $28.80; Clyde Bryden, $15.40; Eric Lycett, $7.20; Con. Mosher, $37.40; C. Sanford, $5.85; Palmer Burgess, $24.00; H. Benedict, $10.20; H. Chudleigh, $13.20; Prescott Sanford, $12.00; Seymour Sanford, $4.50; total (a) and (b), $1,692.44.

(c) and (d)

R. M. Card, timber, $105.31; Harold Card, timber, $22.41; Mrs. Jean R. Young, timber, $80.28; S. E. Sanford, timber, etc., $36.30; H. K. Sanford, timber, $52.20; Windsor Traders, Ltd., hardware, $33.04; Wilcox Bros., Ltd., hardware, $150.90; Frank Salter, ballast poles, $54.00; Douglas Harvie, timber, $19.80; Lewis G. Sanford, timber, $98.66; Clyde Bryden, timber, $51.03; Fenton Mosher, ballast poles, $18.00; "S.S. Rotundus" freight charges $0.35; Lucius Bancroft, timber, $9.90; Prestor Marsters, timber, $25.11; Fulton Eller, plank $130.53; Lewis Sanford, timber, $76.68; Bernard Sanford, timber, $12.06; Mrs. Gracie A Sanford, timber, $46.80; total (c) and (d) $1,023.36; grand total, $2,715.80.

3. (a) Work done under supervision of district engineer, Halifax, N.S.
(b) Clifford Sanford.

LIFE SAVING STATIONS ON GREAT LAKES

Mr. CHURCH:

1. Are there any federal life saving stations on the great lakes or inland waters, and where are they located?
2. What sum for life saving voted in 1936 was spent on the great lakes, and where?
3. Does the government contribute annually to the cost of the Toronto harbour life saving stations?
4. If not, what arrangement, if any, has the government for such service outside of Toronto harbour?

Mr. HOWE:

1. Yes. Point Pelee, Southampton, and Port Stanley (caretaker).
2. $2,851.15—at Point Pelee, Southampton and Port Stanley.
3. No.
4. None.

FOUNDERING OF THE "SAND MERCHANT"

Mr. CHURCH:

1. What steps are being taken by the government to carry out the recommendation of Mr. Justice Errol MacDougall in his report of the sinking of the Sand Merchant in December, 1936, on lake Erie, for a further investigation on certain lines?

2. How many lost their lives in this wreck?
3. Was there any barometer on the ship, wireless aids to navigation, modern or adequate life boats or drills of crews on lite saving, and were the life boats in working order?
4. Will any steps be taken as recommended, to regulate hatches and their use on the lakes by such draft of ship?
5. Will any steps be taken to consider granting a pension to the dependents of those who lost their lives in this wreck?
6. Will the Minister of Transport take steps to prosecute, under the direct power given him in the criminal code, those owners who send, or those who take unseaworthy ships on the great lakes in the late fall, without adequate aids to navigation, as set out in the criminal code, sections 288 and 289?

Mr. HOWE:

1. A special technical committee has been formed to conduct a thorough investigation into the design, construction and navigation of vessels of the type of the SS. "Sand Merchant."
2. 19.
3. Barometer on board inefficient.
No wireless equipment carried. Ships of this class exempt from carrying wireless.
Boat drill not carried out.
Vessel well found and equipped, including life boats.
4. For special committee to consider.
5. Question raised would be a matter of government policy.
6. Yes.

*SURRENDER OF RESERVES BY INDIAN BANDS

Mr. NEEDHAM:

1. What number of Indian bands, if any, have surrendered their reserves on account of mineral leases being applied for on such reserves?
2. What benefit accrued to each such Indian band as a result of such surrender?

Mr. CRERAR: Mr. Speaker, the question cannot be answered in the form in which it appears on the order paper. No reserves have been surrendered by Indians on account of mineral rights. If the hon. member has reference, as I expect he has, to what mineral rights may have been given by lease on the reserve, it can and will be answered in that form.

QUESTION PASSED AS ORDER FOR RETURN

WOODS MANUFACTURING COMPANY LIMITED—CONTRACTS

Mr. HEAPS:

1. Have any contracts been awarded during the past five years to the Woods Manufacturing Company Limited, of Hull, Quebec?
2. If so, what was the total value of such contracts?

[Mr. Church.]

COMBINES INVESTIGATION ACT

PROVISION FOR ADMINISTRATION BY COMMISSIONER UNDER MINISTER OF LABOUR

Hon. NORMAN McL. ROGERS (Minister of Labour) moved that the house go into committee at the next sitting to consider the following proposed resolution:

That it is expedient to introduce a measure to amend and consolidate the Combines Investigation Act and amending act of 1935, to provide for the administration of the act under the Minister of Labour by an officer to be known as the commissioner of the combines act, for the investigation of alleged combines by the commissioner, and for the appointment of such a commissioner, special commissioners and assistants; and to provide salaries, remuneration and expenses therefor.

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.

WESTERN FEED CONDITIONS

On the orders of the day:

Mr. J. H. BLACKMORE (Lethbridge): Mr. Speaker, I should like to inquire of the Minister of Agriculture (Mr. Gardiner) whether anyone has directed his attention to the serious condition which has developed throughout southern Alberta. On account of the deep and drifted snow and long continued cold weather there has come about a dangerous scarcity of feed and water which threatens the destruction of thousands of breeding stock which are highly essential to the economic well being of Canada. If the minister's attention has been drawn to this matter, would he mind telling the house what measures have been taken to meet the emergency?

Hon. J. G. GARDINER (Minister of Agriculture): Mr. Speaker, about two weeks ago the officials of the rehabilitation organization of this government in the west wired me stating that difficulties were being experienced by owners of a considerable number of cattle located in the southern portion of Alberta who as yet have not come definitely under the arrangements made previously in connection with direct relief. There was not sufficient feed shipped into this area during the earlier part of the season to take care of the cattle. I immediately wired the representatives of the department in the west and asked them to make a complete investigation of the situation and report both here and to the

government at Edmonton. A few days later I had a wire from the Minister of Agriculture in Alberta, and I wired him in reply indicating what had been done from this end and suggesting that he wire us later informing us what he considered the condition to be. I understand the situation is now being handled by our organization in cooperation with the provincial organization in Alberta.

GRAIN MARKETING

ANSWER TO QUESTION ON FEBRUARY 3 AS TO AGREEMENT BETWEEN WHEAT BOARD AND WINNIPEG GRAIN EXCHANGE

On the orders of the day:

Hon. NORMAN McL. ROGERS (Acting Minister of Trade and Commerce): Mr. Speaker, on Monday last the leader of the opposition (Mr. Bennett) took exception as a question of privilege to an answer given on February 3 to a question asked by the hon. member for Qu'Appelle (Mr. Perley). The answer was in the following terms:

1, 2, 3. The subject to which this question relates, namely, the marketing of Canadian grains abroad, is now being investigated by the royal grain inquiry commission, which has not yet reported to the government.

As Acting Minister of Trade and Commerce I am responsible for that answer. I regret the suggestion that there has been any discourtesy to the hon. member for Qu'Appelle, as none was intended in the answer given. I have examined the records in relation to this matter and I agree with the leader of the opposition that the answer as originally given, while the facts were correctly stated, was not happily expressed. I have revised and expanded the answer to the question, and with the permission of the house I should like to place upon the records a correction of the original answer, as follows:

1. Yes. To exporters only.
2. Made without knowledge or advice of wheat committee of the cabinet.
3. Cancelled without knowledge or advice of the wheat committee of the cabinet on December 20, 1935, because the wheat board considered it advisable to do so.

CANADA GAZETTE

On the orders of the day:

Hon. FERNAND RINFRET (Secretary of State): Mr. Speaker, on Tuesday evening, February 9, the hon. member for Kindersley (Mr. Elliott) put a question to me in committee of supply with reference to the circulation of The Canada Gazette. I have this information to give to the house. On February 10 the distribution of The Canada Gazette stood at 557 copies free and 569 copies on subscription. The complimentary distribution includes copies sent to senators and members of the House of Commons on request, to registrars under the Bankruptcy Act as provided for by statute, to the library list as provided for by P.C. 1471, and to the daily newspapers. Subscriptions include copies sent to various departments in Ottawa and requested on departmental requisitions. Other copies are paid for at the rate of $8 per year by the public in general.

HOME IMPROVEMENT LOANS

PROVISION TO ENCOURAGE REPAIR OF RURAL AND URBAN DWELLINGS

Hon. CHARLES A. DUNNING (Minister of Finance) moved the third reading of Bill No. 11, to increase employment by encouraging the repair of rural and urban homes.

Motion agreed to, and bill read the third time and passed.

PRAIRIE FARM REHABILITATION ACT

Hon. J. G. GARDINER (Minister of Agriculture) moved the second reading of Bill No. 18, to amend the Prairie Farm Rehabilitation Act.

He said: Mr. Speaker, in rising to move the second reading of this bill I desire to give to the house the information which I promised three different members would be forthcoming on the motion for second reading. The information is with regard to the area affected by drought in the three western provinces, the general conditions which have existed in that section of Canada since it was first settled, the actions which have been taken by different governments which have been in power from time to time to deal with the situation, and the details of what is intended to be done during the coming year under the present legislation.

I think I can best outline the area which has been affected by referring to the map which I have in my hand. If you take a point on the boundary line between Canada and the United States immediately south of the town of Morden in Manitoba and draw a line directly from there to the town of Lloydminster, which is located on the boundary line between Alberta and Saskatchewan, just south of where the North Saskatchewan river enters the province of Saskatchewan, then westward and southward to about the town of Cochrane, west of Calgary, and then directly south to where the western boundary of Alberta meets the American boundary line, generally

speaking you will have taken in the area known as the open prairie country of western Canada which has been affected by what we have been pleased to call the drought in recent years.

Mr. BENNETT: Could the minister give the number of acres in that area?

Mr. GARDINER: I think I can give all that information in a general way. Before going on to discuss the general question, I should like to make this general statement which I am sure will meet with the approval of everyone who has been interested in the problem. I believe the great majority of the people in that area, while realizing that they have suffered many hardships, would wish me to emphasize the fact that they appreciate the efforts which have been put forth by the Red Cross, by governing bodies generally, by the railways, by individuals and communities in other parts of Canada, and by creditors in general to make their burden lighter during this period of difficulty which has extended for from five to seven years. I think the great majority, if not all, of the people in that vast area believe that a real effort has been made, by all those to whom I have referred, to do something to lighten the burden of those who are passing through these difficulties.

I might describe in another way the area that is affected. As the leader of the opposition (Mr. Bennett) said the day before yesterday, about three hundred municipalities are affected. I would estimate that the acreage contained in those three hundred municipalities would be approximately 60,000,000. Of course that 60,000,000 acres embraces all the different types of land that are to be found within the area I defined a moment ago, and includes not only the land but the portion of it which may be covered by water. The whole area, figured out on an acreage basis—640 acres to the square mile—covers a little over 60,000,000 acres. I think I should be well within the mark if I were to say that about 45,000,000 acres, or about three fourths, of that land is occupied, but probably not more than about 20,000,000 acres of it has been improved. In other words, not more than about 20,000,000 acres in that area have actually been used for the production of crops, and the raising of live stock, as we understand the term when we speak of small farmers having stock running on pasture. That would cover the area that has been affected more or less during the last six or seven years.

[Mr. Gardiner.]

The only qualification I would make in the description of the area would be that as you follow that long line from south of Morden on to Lloydminster, and that long line from Lloydminster down to Cochrane, zig-zagging back and forth across it you will find differing conditions. Sometimes you will find the land north of the line affected by drought, and in other cases you can go well into the southern section and find land which has not been affected by drought for any considerable number of years.

I might add that you have within that area, well within the centre of it in some cases, sections of territory which have not felt the real effect of the drought in the same way that other sections of the territory have. For example, you can take the heavy lands that surround Regina city and Moose Jaw. Those lands, while well within that area, have not been affected to the same extent as lands farther south and farther west that are not as heavy in their texture. Then we have right in the centre of the larger district, about the town of Rosetown, and to the south of Rosetown on towards Elrose, a section of country which during the whole period of the drought and the difficulties of the drought have had a fair crop. In some years it has been better than in others, but in any case these people during the greater part of the time have been able to keep entirely off relief. The same is true of the majority of people who live on the heavy lands around the city of Regina and the city of Moose Jaw.

I would point out that this year the area does not take in quite the 300 municipalities, but it does take in a larger area than it has in any one of the previous seven years. This year the area affected, which has been admitted to the care and administration of the federal government so far as assistance is concerned, covers about 250 municipalities. This area represents more than 50,000,000 acres of land, about 35,000,000 acres of which is occupied, and about 18,000,000 acres of which is improved or being farmed in the ordinary sense of the term.

Mr. BENNETT: That is, 18,000,000 of the 35,000,000?

Mr. GARDINER: About 18,000,000 of the 35,000,000, yes. I think the size of this area can be better appreciated if I put it in this way. The area comprises more than one-quarter of the occupied, and more than one-fifth of the improved, area of farm land in the whole Dominion of Canada. I do not know whether that is generally understood or not, but I repeat that the occupied part of

what is now generally called throughout Canada the drought area, but which I prefer to call the open prairie section of western Canada, has within it one-quarter of all the occupied farm land in the Dominion of Canada and a little more than one-fifth of the improved farm land in the Dominion of Canada. I might say further that it contains a population of approximately 900,000 people—almost equal to the entire population of the province of Saskatchewan. It is a population greater than that of any province in the Dominion of Canada except the two great central provinces of Quebec and Ontario. That I think expresses more completely the importance of the problem from the point of view of the Dominion of Canada than any mere statement of what the area is and the acreage involved. The population affected is equal to that of the third greatest province in Canada in point of population, and greater than the population of any other province except the two largest provinces in the dominion.

Within that area, inside the lines I have spoken of, you have the city of Calgary, the city of Lethbridge, and the city of Medicine Hat in the province of Alberta; you have the cities of Moose Jaw, Weyburn, Swift Current, Regina, Saskatoon and North Battleford in the province of Saskatchewan. I recite these facts, Mr. Speaker, in order to impress upon the house, if I can, the impossibility of even considering the question of placing such a large number as 900,000 people to better advantage in any other part of the dominion.

Mr. BENNETT: Does that 900,000 include the cities and towns?

Mr. GARDINER: Yes, it includes the cities and towns, which are largely dependent on the area in which they are located.

I think I have said sufficient, Mr. Speaker, to impress upon the house the importance of the question that has to be dealt with under any legislation having to do with rehabilitation, and as well the importance of that area to the remaining part of Canada.

There has been a great deal of discussion during the last seven or eight years as to whether difficulties of this kind were experienced in the prairie sections of Canada prior to the last five or six years, whether the lands in that area have been depleted by winds and other conditions, whether they have been depleted by certain methods of farming. All these questions naturally arise in our minds as a result of the experience we have been having in the last six or seven years. I make bold to say that if we had any other kind of climate than what we have in the prairie provinces, people could not live there and maintain homes. I think that statement can be made without fear of contradiction. If we had any different kind of climate in the area I have described, people could not live there if they relied upon farming for their maintenance. I should like to take a moment or two to give my reasons for making this statement.

In the first place the western plains of Canada are divided into three steppes, and the borders of those steppes of prairie and park land run parallel with the Rocky mountains. These borders in the form of hills run from the northwest down towards the southeast. The first steppe, the one nearest the Rockies, extends from the foothills to the east of the mountains just to the west of the city of Moose Jaw and its eastern border almost parallels the Rocky mountains. The edge of the next steppe runs just east of the city of Brandon, and again parallels the Rocky mountains, while the edge of the third steppe parallels the Rockies through a point east of Winnipeg. The area contained in the third steppe averages about 800 feet above sea level. The area contained in the second steppe, which extends from Brandon to Moose Jaw, has an average height of about 1,600 feet above sea level, while the area contained in the steppe extending from Moose Jaw to the foothills of the Rocky mountains has an average altitude of about 3,400 feet above sea level.

Those who are familiar with the western part of Canada know that the growth in the first steppe is naturally different from the growth in the second steppe, while the growth in the third steppe, is different from either of the other two. You find oaks and elms, similar to those in eastern Canada, growing in the Red river valley. You find poplars and willows growing in the second steppe, but the natural growth in the third steppe, at least in the southern part of it, is short grass, and for that reason we speak of it as prairie country.

One of the reasons why I say it would be very difficult if not almost impossible for people to live in that area under any other climate is shown by the figures of average rainfall which I should like to present:

	Inches
Vancouver	58
Lethbridge	15·9
Regina	14·11
Winnipeg	20
Port Arthur	22·5
Belleville	35·6
London	38
Sherbrooke	36·9
Kemptville	38

These are the centres of some of the most important farming areas in Canada, stretching right from the Pacific to the Atlantic. Hon. members will note that as compared with any other part of Canada the rainfall in those prairie sections is very much less. Someone may say that Vancouver is almost as far north as Lethbridge and Regina, so why is it that crops cannot be grown with equal success on the other side of the mountains. That reason is found in the fact that the Rocky mountains lie between Vancouver and the prairies, and the winds that come over the warm currents of the Pacific ocean carry both moisture and heat, giving a more equable temperature during the year on the western side of the Rocky mountains. When they cross over to the eastern side of the mountains they are associated with temperatures ranging from 110 degrees above zero, as we had it last July, to 40 and 50 degrees below zero, as we have it in January. Then you have the seasons shortened by the fact that the warm winds do not come over the mountains, and therefore, since we are so far north and at such an altitude above sea level, it would be impossible to produce farm crops if we had as much rain as they have in Vancouver. Perhaps that may be understood better if I remind hon. members that any year we get more than the average rainfall on the western prairies we are afraid of one of two things. We are afraid of rust which we had in 1934, or we are afraid of frost, which we had in 1907. Of course we have had frost in many other years that I could enumerate, but 1907 was most severe.

I recite these facts in order to indicate that those plains are particularly suited to the production of certain crops because of the climatic conditions that exist. In recent days there has been some controversy as to the possibilities of the Peace River country for the production of wheat, as compared with the open prairie country. I am not going to enter into that controversy in any way. The Peace River country is suited to the growing of some varieties of wheat. The northeastern part of the province of Saskatchewan is suited to the growing of some varieties of wheat. The province of Manitoba is suited to the growing of certain varieties of wheat. But the one section of western Canada which, under all conditions excepting those of frost, extreme drought or too great rainfall at certain seasons of the year, is certain to produce No. 1 Northern wheat or in some instances No. 1 hard wheat, is the short grass prairie region of western Canada. No. 1 Northern wheat or No. 1 hard wheat are known the world over as strong wheat, and there is no other place in the world where a better variety of strong, hard spring wheat can be grown than in those short grass prairie regions. One of the reasons for that is that you can grow hard wheat only where you have a comparatively low rainfall and at the same time fairly long and fairly cool nights. These are the two conditions that contribute to the high protein content wheat that is being produced in those areas.

Now, Mr. Speaker, may I repeat that I make bold to say that if you had any other kind of climate in that part of western Canada it would be impossible to maintain a population there at all, doing what we are attempting to do at the present time. I should like to ask this question: What does the history of the area show? Well, I do not know whether you call it good fortune or bad, but I have always considered it good; I have had the privilege of living in the prairie sections of North America ever since 1890, with the exception of the four years from 1896 to 1900. During five years of that time, from 1890 to 1895, I lived in the state of Nebraska, which is in the heart of that part of the United States that has suffered so severely within the last few years. What I want to say to the house is this, that during the period through which we are passing we have not experienced anything more difficult than farmers all through the prairie section of the central part of the United States experienced during the nineties of the last century. The area of Canada of which I am now speaking was not settled in the sense that it is settled to-day, but from the old timers who live in it I understand that exactly the same climatic conditions prevailed over that area in the nineties as have prevailed during the last five or six years.

Most of us in this house can remember the experiences of the years from 1914 to 1921. I have brought to the house the records of crop yields during some of the years since this section of country has been settled, and I have done so in order that I might more fully illustrate to you what I have in mind in the statements I have just made. Let us take crop district No. 3. This district lies between the Soo line in Saskatchewan and Shaunavon—or rather it extends almost to Shaunavon. It runs up on the north of Swift Current towards the Saskatchewan river, taking a triangle out of the centre of the southern part of the province. I find that in 1914 the farmers in that district harvested a little under two bushels to the acre on all the land then under cultivation. That is a poorer crop than they have had in district No. 3 in any year since 1914;

in other words, it is the poorest crop they have ever had since they settled that country. They were fortunate enough to have a good crop in 1915, and to illustrate another point with regard to the possibilities of the country, I may say that whereas the yield in 1914, one of the most difficult years they have ever experienced there, was two bushels to the acre, that same area of country, with an increased acreage, had an average in 1915 of thirty-one bushels to the acre, a higher average than any crop district in Saskatchewan.

I have before me the average rainfall in those different years and I will mention one or two of them to indicate the impossibility of theorizing about rainfall in western Canada and determining whether we are likely to have a good crop. In 1914 the rainfall in district No. 3 was 12·53 inches and in 1915 it was 16·30 inches, about 3½ inches more. In 1915 it was a little above the average that you get around, say, the city of Regina and in 1914 it was slightly below the average. Now in the one year they had a yield of two bushels to the acre and in the other a yield of thirty-one bushels to the acre; and that yield of thirty-one bushels came in the year following one of the driest seasons they have ever had.

Let us come down to 1928. Everyone in this house knows that the year of greatest wheat production in Canada was 1928, and I will read to the house the rainfall in the different crop districts in that year:

District	Rainfall inches
1	14·9
2	12
3	10·7
4	11
5	12
6	11
7	12
8	9·2
9	9·65

These are for the province of Saskatchewan. District No. 8, I may observe, is away up in the northern part of the province and district No. 9 is north of the North Saskatchewan river.

Mr. BENNETT: The point is, is it not, that it came at the right time?

Mr. GARDINER: Yes, I think that is the point. Now, if we take all the years from 1913 to 1934 and study the rainfall right across the grain-growing section of western Canada we shall probably find that the rainfall in 1928 was as low as in any one of those years; and yet they produced the greatest crop that western Canada has ever had. And, as the leader of the opposition says, the reason for that is that the rainfall came at the right time of year. But we might add this, that even when the rainfall does come at the right time, if it is preceded by heavy winds, particularly in the open prairie country, the winds themselves ruin the crop before the time for the rainfall to do it any good arrives; and if the rainfall is succeeded in the early weeks of July by very extreme heat, as in the last year, that very extreme heat in itself offsets the good that the rainfall did in the month of June. These are some of the difficulties facing the grain growers in that area of Canada; they are some of the factors that have to be faced when considering ways and means of dealing with the problem.

I said that we had difficulties there in the nineties. We had them in 1914, and then we had two good crops, and thereafter we had comparatively bad crops from 1917 to 1921. Now we have been experiencing, from 1931 to 1936, another series of poor crops, and some might be inclined to ask why it is that we have experienced greater difficulty in some of these periods than in others. In so far as my memory takes me back to the experience of the nineties, I do not think that we have had any greater difficulty in western Canada in the thirties of this century than the Americans had to cope with on land of the same kind further south towards the close of the last century. The experiences are almost identical.

Mr. BENNETT: There are more people in the west.

Mr. GARDINER: At that time the prairie states were not as thickly populated as now, but many people moved out of that section in those days back to the areas they had come from. Those of us who went from Canada returned to this country and started all over again, and that has been the experience of many persons who have gone into the west during the last few years. But speaking of the period between 1914 and 1921, there was something else that intervened. Although the yield was almost though not quite as low as it has been during this period, and although the only real difference in the two periods was the comparatively large crops of 1915 and 1916—I may remind the house that we had a big crop in 1932 as well—in the period from 1914 to 1921 wheat prices to the farmer at the elevator ran from $1 a bushel up to $1.84, and in some years even higher than that. So that a farmer who had a crop of five bushels to the acre in the period between 1917 and 1921 had very little difficulty because he was getting $1.84 for his wheat. When, however, he gets five bushels to the acre, with the

elevator paying him 35 cents per bushel, or in some cases, for No. 1 wheat, as low as thirty-four cents, then his problem is an entirely different one. Someone says, Yes, and twenty-five cents. Yes; there were a great many instances where the farmers did not get more than twenty-five or twenty-six cents. So that even with a crop of ten bushels to the acre in 1932, say, the farmer would be very much worse off than in 1917 or 1921 with crops of three, four, five, or seven or eight bushels to the acre.

I wanted to deal with these different areas in order to lead up to the next point which I desire to discuss. It has to do with the history of this particular area—and when I speak of the history of it I mean the settling of that particular part of the country. It is in this matter that I think some obligation rests upon the people of all Canada in connection with that area. Prior to 1905 this area was comprised in the Northwest Territories and administered by a government situated at Regina. But that government did not have the same powers, particularly in connection with finance, as the provincial governments which later were set up. The immigration policy in connection with the settlement of that area was administered entirely from Ottawa. The western areas differed in some degree from other parts of Canada in regard to settlement. The lands and resources of the eastern provinces and of British Columbia were owned and controlled by the provinces, and they had some control of the settlement of such lands. When the western part of Canada was first being opened up one or two things were done that seemed wise at the time but the wisdom of which, reviewed in the light of experience of this district of which I am now speaking, has turned out to be at least questionable. One of these had to do with the system of survey that was adopted. If I understand rightly, we copied that system from the United States. The country was blocked off into areas twenty-four miles square; then these were divided into four parts six miles square, and those again split into sections; then people were brought in and settled on quarter sections, cut out here and there all over the country. In such areas as the heavy lands around the city of Regina, those around Rosetown, and some of the heavy land areas in Manitoba, that system worked out successfully and settlement was carried on in a way well suited to those sections. But looking back on the problem as it is in the southwest part of Saskatchewan and southwest of Manitoba and southern Alberta, I am inclined to think that something more in the interest of the future generations who are to live in that country could have been done than the carrying on of that type of survey. I shall deal with that later.

In 1905 the provinces of Saskatchewan and Alberta were set up. Settlers began to go there in great numbers in 1908. An hon. member from Alberta made a statement the other day as to why settlement did not take place there earlier. It is true that pamphlets were written by explorers and men sent out to make surveys calling attention to the difference between that area and some other parts of western Canada. I think it was in 1908 that the minister of the interior brought down in this house legislation providing for preemptions as well as the giving of homesteads to people who would settle in the western part of Saskatchewan and southeastern part of Alberta. If I remember aright, when that bill was introduced in the house the statement was made that while a farmer could make a good living on a quarter-section of land in the settled areas of western Canada, it would not be possible for him to do so in the areas we are discussing this afternoon; therefore the position was taken that men going into that section to homestead should be given a quarter-section of land free of any other charge than the $10 homesteading fee and the three years' residence requirement, and also the right, if desired, to purchase another quarter-section at $3 per acre. In other words a settler could get a quarter-section of homestead land and a quarter-section of preemption land. That was done, I believe, because it was realized that conditions there were more difficult and that more land would be required to enable a family to make a living.

Between 1908 and 1914 a great part of that area was settled by homesteaders. In 1914 the wheat acreage of Canada was approximately ten million acres. Then the war was declared, and in 1915 the wheat acreage of Canada increased by 4·8 million acres, or almost 50 per cent in one year. The increase in wheat acreage in Canada between 1914 and 1921 was from 10,300,000 acres to 23,000,000 acres, something over 12,000,000 acres for the dominion as a whole, and of that increase 5,500,000 acres was in this area of which I am speaking. In other words, farmers were induced to go into the production of wheat in the southern part of Saskatchewan and Alberta. Why? Simply because Canada wanted them to find homes there? Not at all. I think I am right when I say that the government of the day suggested to the present leader of the opposition—I know they suggested to

me and to the present Minister of Finance (Mr. Dunning) and to everyone else who at that time was occupying public office—that they would like him to go out through that section of Canada and impress upon the people the importance of getting into wheat production in order to help win the war. And we did it. We did it to such good effect, apparently that, looking back at the records now, I find that five and a half out of twelve million acres of increase in the whole dominion took place in that particular part of western Canada.

We not only persuaded them to break up land; we persuaded them to buy the machinery with which to do it. During those years, as everyone knows, the sons of most of those men were overseas, and when we went to them we had to devise with them means of breaking the land and getting it under cultivation. We told them of the possibilities of machinery, how the work could be done without the employment of more labour than was available. This acreage was broken up and used for the production of wheat, and whether that had anything to do with it or not, the war was won. At any rate it was as a result of an appeal made by the dominion that these people went there and broke up these lands. It is all very well for us to look at that area to-day and criticize the men who settled there and broke up lands which were not suited to the production of wheat, to say they should not have done it and therefore now they should shift for themselves and leave that area and go to some other part of Canada. But there is some responsibility upon all the people in Canada through the national government for the action then taken. I have no criticism to make of the action taken—

Mr. BENNETT: It was a union government.

Mr. GARDINER: Yes. I have no criticism to make, even if it had been a Liberal government, a Conservative or any other kind. I think any government in power in Canada at that time would have tried to get the wheat to feed the armies and the people overseas who needed it. Fortunately the wheat production during some at least of those years was fairly good; during others it was not so good, but the price during all the time was sufficient to maintain the people who were there.

From 1914 to 1919, therefore, we doubled our acreage in wheat in Canada, and of that increase a great part was in the area to which I have been referring. To-day we talk a great deal about the necessity of reducing acreage. People in that area in 1934 were sowing to wheat one and a quarter million acres less than they were sowing to wheat in 1921. They were sowing two and a half million acres less to wheat in 1934 than they sowed to wheat at the peak in 1932. In other words these people themselves have been cutting down the wheat acreage in that area. They have been trying to adjust themselves to the condition that exists. All I should like to suggest to the house in that regard is that we have some reason for giving special consideration to the people who are in difficulties out there, first, because of the manner in which the settlement was started; second, because of the inducements which were given them during war time to go into the production of wheat on areas of land that would not be suitable for such production when prices dropped, and, third, because of the fact that in that great extent of territory there are possibilities for the settlement and maintenance of a population in Canada such as is not to be found anywhere else in the country.

In concluding my remarks on this angle of the matter may I say that there are some 900,000 people living there now. For the purposes of this discussion let us consider that there are a round million in the area which might require consideration. I believe I can say that if we are in the house five or ten years from now we shall find that there will be still at least a million people in that section of Canada. I say that because I know conditions, having been from one end of Canada to the other, I do not know of any place to which these people could go where, under average circumstances, they would be any better off than they will be right where they are. May I say further that I am inclined to think that if we are in the house ten years from now we shall probably find that there are more rather than less people living in that section of the country. The probability of there being more will be greater if we handle the problem in the way it ought to be handled.

Mr. BENNETT: Before the minister proceeds to the next branch of his subject, may I ask, first, whether he has an estimate of the rural population in the area, and, second—I think this is very important—what was the sum total of the revenue derived from that area by the population inhabiting it between the years 1914 and 1919?

Mr. GARDINER: I have not the exact figures, but I believe I can deal with the question in a manner which will illustrate the point the leader of the opposition has in

mind. I have not the figures broken down for the area in question, but I believe the population for the province of Saskatchewan is broken up in a manner which would indicate that about 34 per cent of it is in the urban centres of the province. Some of that percentage is so close to the land we might very well call it rural. Then, about 66 per cent is in the rural districts of the province, and actually living on the land. I believe that would be almost true of the area about which I am speaking, although the existence of some of the larger cities in the area might change the percentage slightly.

Mr. BENNETT: The percentage is smaller in Alberta?

Mr. GARDINER: Yes; it will be much smaller in Alberta than in Saskatchewan.

In order to deal with the matter just raised by the leader of the opposition, namely as to what we have obtained from that country during certain periods, I should like to go back to the point I was discussing a moment ago. I called attention to the three difficult periods we have had. It is within the memory of most hon. members that what we might call one of the best periods in that section of the country extended from about 1900 to 1914. There are different reasons why that was a good period, from the point of view of the whole dominion. One reason is associated with the fact that immigration was coming in rapidly. Then, railway construction was taking place throughout the whole country. New lands were being opened up, and capital came in with the immigrants and with the development, which proceeded very rapidly. A prosperity went with all these things, one such as we have not had in any other period. But in the period between the depression of 1890 and before the beginning of the depression in 1914—which would have been a great depression indeed had there not been a war to raise the prices—there was a period of fair production and fair prices. The fair prices along with fair production made it possible for people to exist in the area. Then, there was the second period about which I spoke, namely the time during the war when yields were poor but prices were high, and people got by on the small yield and high prices. Then, there was the time between 1922 and 1928 in which we had the highest yields we have had during any period since the opening of western Canada. Along with that we had fair conditions, because we had fair prices in combination with the high yield.

In order to illustrate the effect of conditions on the people in that section of the country I shall attempt to show the difference between fair crops combined with low prices and good crops combined with good prices. I shall take three years from the hearts of two different periods, and shall begin with the years 1926, 1927, and 1928. In order to use figures familiar to me may I confine my remarks to that section of the area which extends into the province of Saskatchewan.

In 1926, 1927 and 1928, we produced in Saskatchewan 793,000,000 bushels of wheat.

Mr. BENNETT: The whole province?

Mr. GARDINER: Yes, the whole province; two-thirds of the wheat came from the area about which I am speaking. In the three years 1931, 1932 and 1933, which were not by any means the worst years we produced 471,000,000 bushels. We must compare the 471,000,000 in three years out of the worst period with the 793,000,000 bushels in three years out of the best period.

Mr. BENNETT: If the minister has the information, would he give the average price during those periods?

Mr. GARDINER: In one period it ran up around $1.50 to $1.75, and in the other it was down around eighty cents.

Mr. BENNETT: The bureau of statistics does show an average, I believe, and I thought the minister might have the information. However, I do not wish to interrupt him.

Mr. GARDINER: I have not the information set out in that way, but I can give it in another way. Taking all farm products in the first three year period, namely 1926, 1927 and 1928, we find that returns amounted to $1,180,000,000, which was derived from a combination of good crops and good prices. Then, in the later three year period the returns amounted to only $354,000,000, or showed a decrease of $800,000,000. These figures indicate that from one period to another the sum derived was cut to about one-third. Putting it in another way, in the second three year period, as compared with the first, the difference in receipts by farmers in the southwestern part of the province throughout the whole of what is called the drought area, would be even greater. Farmers in the drought area were without any crop to sell at any price, but people in the other sections of the province had some crops to sell, even at the low prices which prevailed.

When I say that about $800,000,000 indicates the difference in the returns to the farmers between one three year period and another, I am stating something which is important from another point of view. We have heard many

estimates of the indebtedness of the farmers of western Canada. More particularly have we had estimates of the indebtedness of the farmers of this section of western Canada. The government of the province of Saskatchewan have made a survey of this area and they know very well the indebtedness of the individual farmers. They know exactly the indebtedness of the school districts, the municipalities and all the other organizations that are related to the carrying on of government in the province, including the telephone companies. When we estimate the indebtedness of the province, of the municipalities, of the school districts and of individuals, we find the total to be $600,000,000 in round figures.

I should like to say to those who are concerned about the future of the province of Saskatchewan that we are going to have good crops again in western Canada and some day we will have a combination of good crops and fairly good prices. When we do get a combination of good crops and fairly good prices our position will not be an impossible one. This is why I think governments should give some attention to the maintaining of the people upon this area.

May I put the matter in another way? We sometimes wonder how people who could produce in the last few years all the wealth of which I have been speaking in the last few minutes could be in the position in which they find themselves to-day, without money and without credit. These people came into this country between the years 1908 and 1914. The war came on and they were induced to spend money in order that they could produce more wheat. They did produce more wheat, partly for that reason and partly because they could get a good price for it and hope to make some money. Producing wheat in the volume in which they did at the prices which they were able to obtain, like most human beings under similar circumstances they carried on developments which probably would not have been carried on otherwise. It is true that to-day you can go into that section and find shacks similar to those described yesterday by the hon. member who introduced a motion stressing the necessity for some kind of action in connection with youth—in some of the new areas you will find quite a number of them—but in that portion of Saskatchewan of which I am speaking I think you will find that the homes compare favourably with the homes on farms throughout most of the Dominion of Canada.

I think you will find the condition of the roads to be better than the roads were in other parts of Canada during the first twenty-five years of settlement. I think you will find accommodation by way of telephone service which was not enjoyed in other parts of Canada or probably anywhere else in the world during the settlement of the first generation upon farming lands. It is true that they have all these things, a considerable part of the cost of which was paid during the years of good crops. In spite of their optimism, in spite of their enthusiasm for their jobs, in spite of the suitability of these people to the area in which they are to be found, they could not pay for these developments in the six or seven years in which they had good crops at good prices. I do not think any population anywhere could have done it. They find themselves in debt to-day, and I believe any other population in similar circumstances would find themselves in exactly the same position.

They came into this period of difficulty with this debt hanging over their heads. I think that ninety-nine per cent of them expected to pay every dollar of that debt and every dollar of the interest that they had signed to pay. They ran on for three years, and the interest was being added at the rate of eight per cent year by year. They ran on for five years and they began to think more about it. They got into the sixth year and found that their debt had increased by fifty per cent or more without their having obtained anything other than the use of the property which they had created by partly paying for it with previously borrowed money. They then began to ask themselves whether they would ever be able to pay the full amount of their indebtedness. I think it is better in this house to give encouragement to men of that kind, to let them know the possibilities of the future by quoting figures, such as I have quoted, which indicate that this debt can be paid within the lifetime of the present generation without imposing any great hardship upon the people who live in this area. With this picture before them they will go on with greater hope than they would if we tried to convince them that the debt could never be paid.

I asked a question a moment ago as to whether the government of the day and the governments of the past had been grappling with this problem as governments should. I want to take you back just for a moment to the difficult year of 1914-15, the first year of the war. The government of that day was of the Conservative party. They went into this area and organized the whole area for relief purposes. They put an administrative organization into the area and paid every

dollar that was paid out in direct relief, that is outside of what was put up by voluntary organizations. At that time there were less than half as many people in the area, and yet the government spent $8,715,000 in Saskatchewan.

Mr. PELLETIER: Has the minister the figures for the three western provinces?

Mr. GARDINER: I do not have the records of the other provincial governments. I have the figures for Saskatchewan because I brought them down with me.

Mr. BENNETT: Does that figure include payments for seed grain?

Mr. GARDINER: I have some doubt about that, but it probably did. In 1914 the dominion government of that day assumed what the leader of the opposition referred to as a national problem. They set up an organization to take care of this and they spent $8,715,000 in doing so. Since then we have had two periods of difficulty. During the period of the war higher prices prevailed, but the yields were somewhat low. We had other troubles, but they did not require the setting up of an organization, either by the federal government or by the provincial government, to handle the situation. However, there was a cooperative effort on the part of the two governments, or I should say on the part of the four governments, because Manitoba and Alberta were also interested. In Saskatchewan—I think this is also true of the other provinces—it was necessary to provide seed wheat. The federal and provincial governments each undertook to pay fifty per cent of any loss which might be incurred by the municipalities as a result of seed being advanced to the farmers. During that period $4,385,000 was advanced for seed purposes.

I want to emphasize the fact that I examined the records in 1928, after there had ceased to be any need for the giving of seed or the providing of relief of any kind, and I found that only $180,000 of that money had not been paid. There was advanced $4,385,000 and at that time only $180,000 had not been paid, and much of that has been paid since. Of the amount paid, the government of Canada was called upon to pay only $334,000, and the government of Saskatchewan paid $334,000. In other words, when these farmers got good crops from 1922 to 1928 they paid off that indebtedness almost in its entirety. It was only in respect to farms which had gone under foreclosure or had been taken for taxes that the government were called upon to pay. The farmers of that area paid amounts which, with interest, aggregated $4,000,000 during those years. So that there is nothing or very little standing on the books to-day charged against the farmers of western Canada as a result of the difficulties of that period.

This brings me down to the period from 1931 to 1936. During the first year, 1931, the government, in its best judgment, and I think the government had the support of all sides of the house in so doing, paid a bonus of five cents a bushel on the wheat grown in the northern part of the three western provinces. That bonus amounted ultimately to somewhere between $12,000,000 and $13,000,000. But it so happened that in the southern part of Saskatchewan, the area we are dealing with to-day, there was very little if any wheat, and the government again in its judgment, with that condition existing, agreed for that year to shoulder the entire cost of taking care of the people of that southern area, although perhaps it was not put in exactly those words. At all events they advanced or agreed to advance $10,000,000 to the government of the province of Saskatchewan to take care of the people in the southern and western part of the province, and they did a similar thing with respect to areas outside the province of Saskatchewan. That bill in the first instance was charged back to the farmers because of the method of administration that was set up by the provincial government and agreed to, I think, at the time by the federal government. But eventually the notes taken from the farmers were cancelled and the Dominion of Canada to-day is carrying the entire cost of the $10,000,000 that was spent in the southwestern part of Saskatchewan and amounts spent in other provinces, which was put up in the year 1931.

Mr. BENNETT: 1930-31.

Mr. GARDINER: 1931-32.

Mr. BENNETT: There were 330,000 people on relief—men, women and children.

Mr. GARDINER: Yes, as the right hon. leader of the opposition says, at one time we had 330,000 people on relief. I am citing these facts, Mr. Speaker, only to indicate that the government of that day carried out in principle exactly the same policy that was carried out in 1914-15.

In the spring of 1932 a new relief agreement was entered into between the federal government and the provinces. Again, Mr. Speaker, I am not offering any criticism, but just citing the facts. The government no doubt realized

as it came into the succeeding year that these costs might be costs spread over a number of years rather than incurred in any one particular year. Another method, therefore, was adopted for the time being. The federal government lent the provincial government moneys to be expended in taking care of the people in that area, having put up a third of the amount in actual cash. The federal government provided one-third of the expenditure in loans in order that the provincial governments might carry on.

In 1934 there was a change of government in the province of Saskatchewan. When the election was over I happened to be at the head of the government, and I came to Ottawa and negotiated with the government then in power, which was led by the present leader of the opposition. While we did not always agree in our discussions and negotiations, I must say that the leader of the opposition as Prime Minister of Canada took the same position with regard to the giving of assistance in the drought area of Saskatchewan in 1934 as he had taken in 1931, and as we took in 1935. On November 2, 1934, the Minister of Finance of the day, Mr. Rhodes, wrote a letter to the government of Saskatchewan in which he stated that the government of Canada as then constituted had from the beginning looked upon this as a national problem, that they had considered it earlier in the season as being national to the extent that they should have taken responsibility even for administration, and he went on to indicate that since the matter had been delayed until November 2, partly on our account, it was impossible for the federal government to take responsibility for administration then and they would have to rely upon the administration set up by the provincial government to expend relief moneys. He went on to say that the federal government were prepared to advance to us money from time to time as we indicated the necessity for its being spent for relief purposes, that we should in the meantime give treasury bills as security for the money, and that as the federal government were satisfied that the money had been spent for the purpose for which it was voted the treasury bills would be returned to the province of Saskatchewan and the debt cancelled.

I wish to say that the province had secured on the same basis an advance of moneys having to do with payments on the two previous years. I think it goes without saying that the same principle that was applied in 1931, and again in 1934-35, because the undertaking was carried out by the government now in power during the succeeding year—that same principle should apply to the two years in between.

Might I point out that in the period 1931-36—again I am dealing only with the province of Saskatchewan because I hesitate to discuss matters which concern the other two provincial governments; and I discuss this particular matter only because I had some personal connection with it—the total amount advanced by this government between 1931 and 1936, including the amount advanced in 1935 for seed grain, was, in round figures, $50,000,000 for the province of Saskatchewan alone. That, added to the other total of $8,715,000 which I mentioned a few moments ago, gives a total of $58,715,000 which had been advanced by the people of Canada towards the maintenance of people in the area of which I have spoken as being important for the development of the Dominion of Canada. I think at this point I should emphasize again, Mr. Speaker, that the people living in that section of the country, the great majority of them at least, realize that governing bodies have been doing considerable in order to carry out their obligations to them.

May I now analyse these figures for a few moments? Of this amount of $58,715,000, $36,815,000 has already been assumed entirely by the federal government, but about $10,900,000 of it is still charged up against the public debt of the province of Saskatchewan. I invite the attention of the house and the country to that fact. There is included in the present gross public debt of Saskatchewan $10,900,000 in respect of which the federal government has agreed, as soon as the accounting is completed, to return to the province of Saskatchewan treasury bills representing that amount. The province had given the treasury bills to the dominion for security; after the provincial government makes an accounting of the moneys spent on relief, the treasury bills are returned to the province, but in the meantime they stand as part of the public debt of the province.

Then something happened during this last summer which accounts for the reference I made at the beginning of my remarks to creditors as well as governing bodies having to do with this problem. There is $15,300,000, for which this government assumed responsibility during the period 1932-33, 1933-34, and down to January 1, 1935. Last midsummer when it was assured there was to be another crop failure in the area of which I have spoken the government of Saskatchewan approached the government of Canada and approached creditors of individuals, rep-

sented largely by municipal bodies and lending companies, to assume some obligation for the debt that has been piling up on the people in that territory. Their request was based upon the idea that if the federal government had assumed the obligation for this amount of $15,300,000, and eventually was going to relieve both the province and the individuals concerned of that obligation, as they had done on other occasions, it would inspire greater confidence on the part of these people if that statement were to be made public. We naturally said to the loan companies and to the provincial government, "What do you intend to do?" The loan companies said they were prepared to wipe off the back interest on all their loans in that area down to January 1, 1935, and to make other concessions, depending upon examination of individual cases. They agreed to go into the area, not to ask the individual whether or not he wanted an adjustment but with new agreements containing the adjustment actually written in, which meant that never again would the individual be billed for that amount of money. In its turn the province said it had assumed obligations in the years just before 1931, for relief and seed grain, amounting to something in the neighbourhood of $5,000,000; that there was owing to the treasury a considerable amount of unpaid taxes, and that in addition there were large sums owing to the municipalities throughout the whole area in the form of unpaid taxes. The provincial government took the responsibility for seeing that that amount was written off the indebtedness of the individual farmer. I am told, Mr. Speaker, that the result has been that approximately $75,000,000 of debt was written off the farmers of that area through a cooperative effort on the part of the mortgage companies, the dominion and provincial governments, and the municipalities.

Other negotiations have been carried on with banking institutions and other creditors, with somewhat similar results. So when the proper authority is received we are under obligation to deal with the matter in that way, in order to carry out our part of this cooperative effort. In 1931-32 we assumed responsibility for an expenditure of $10,000,000. In 1934-35 we assumed responsibility for a total of $10,900,000. In the intervening years we assumed responsibility for sums totalling $15,300,000. In 1936-37, the present year, we assumed responsibiilty for $7,200,000, and in doing so we adopted a different method of administration. We insisted that the provinces make their recommendations in advance, giving us all the information. We set up an organization to check their representations, and we are paying the bills as they are presented to us. In other words they are not being charged up against the province and will not show at any time as part of the public debt of the province. The only change in the policy is the change to which I have just referred, a change in administration. The principle is exactly the same principle that was adopted in 1914-15, in 1931-32, restated in 1934-35 and carried on down to the end of this period. I think, therefore, the dominion government has shouldered a fair share of its obligations assumed in connection with the settlement of this country. In other words the problem has been assumed as a national one by the governments of the day, whoever headed them, and in the last analysis the expenditure has been made from the treasury of Canada.

I might be asked one further question, and when I have dealt with it I shall be through. It is this: Is further effort worth while? Well, I may say that in 1922 the province of Alberta undertook to evacuate part of this territory, and experiments have been carried out which are worthy of investigation now in order to indicate what we might do in the future. The province of Saskatchewan has placed upon its statute books legislation making possible the resettlement of people throughout that area, based upon soil values as related to the moisture which falls from year to year, and similar work has been done by Manitoba. These provinces find it very difficult at the present time to finance any considerable expenditure on this or any other matter having to do with that area, and the question arises as to what extent they should be assisted by the dominion government. Just the other day I was reading an article in a newspaper published in the state of Montana. It was the Great Falls Tribune, of which I have a copy, and the article deals with the experiences of the people in one county on the other side of the line. I should like to read one paragraph in order to indicate what is being done in one county in the state of Montana, immediately south of this area to which I am referring:

> The development of submarginal lands, including the construction of reservoirs, fencing, farm obliteration, rodent control, spring development, road building and the development of recreational centres, when added to the original cost of the 928,592 acres of submarginal land purchased by the government, brings the total investment to about $3.40 an acre. Land purchase amounted to approximately $2.40 an acre and the development to an additional dollar an acre.
>
> Comparing the expenditure of $1,786,368 (or, up to the present time, $1,000,000), with the direct relief load, seed and feed loans made by

the government in the five preceding years, when a conservative estimate places the amount in this area at $3,500,000, the report shows a constructive program as against a destructive program.

Mr. MacNICOL: In reading from that article did the minister refer to flood control?

Mr. GARDINER: No, not flood control; I think it was rodent control. This is in the dry area just to the south. Some slight amount might be spent to control the water in certain areas in order to make use of that water elsewhere, but this article has to do with water control and similar things such as are being done on our side of the line, in a smaller way.

Mr. MacNICOL: I thought the reference was made in regard to submarginal lands.

Mr. GARDINER: I do not see any reference to flood control. There is mention of the construction of reservoirs but not to flood control.

The reason I mention that, Mr. Speaker, is that it calls attention to the very situation that is before the house at this moment. During the last six years we have spent something over $50,000,000 in doing what to all intents and purposes leaves those people at the end of each season just where they were in the beginning. That is, we have been doing a necessary work; we have been maintaining them there throughout the winter. But we have been doing very little through the expenditure of that money to direct the people or to assist them towards a condition where it will not be necessary in the future to do the same thing over again. We believe that we should do something constructive in that area during the coming year rather than leave ourselves in the position where the whole expenditure a year from now, if there is another crop failure, will have to be made to maintain people in that area during another winter. To that end we have changed slightly the existing organization in order to take care of this problem.

One of the members from Toronto, speaking the other night, misunderstood me when he came to the conclusion that we were going to set up another organization in the form of other committees to deal with the problem confronting the people in that area. That is not in the mind of either myself or the government. There have been set up under the present organization—there were set up in 1935 and again in 1936—local organizations in the form of agricultural associations who simply organized themselves. They did not necessarily get our consent to do this, but they themselves have organized and gone to work. We were trying to persuade the people in that area to dig dugouts in order to have water, and when I went there last summer I found that very few of these dugouts were being made. When I went on some of the farms and saw the conditions I could understand why the dugouts were not being constructed. The leader of the opposition said that when he went and viewed that country about a year ago he had to admit that it created in his mind a depressed feeling. The hon. member for Rosetown-Biggar (Mr. Coldwell) has made a similar statement. I must say that when I went and looked at it in the first week of July last year, having gone over the area during the previous five or six years at about the same time of year, it created even more than a depressed feeling in my own mind, and I began to wonder just why those people would stay there year after year and face those conditions continuously; and the only answer I could get was the answer that occurred to myself, that it was the experience between the nineties and the present time that induced them to believe that they were doing a real service to themselves and to the country by remaining there. When one went to an individual farmer and suggested that a solution for his problem was to dig a dugout to catch the spring run-off of water so that he could have a water supply for his cattle, he said, "You show me a spot sixty feet long and forty feet wide, and tell me to take a team of horses, which I have no oats to feed, and one scraper and dig a hole twelve feet deep, and say you will give me three cents a yard for every yard of earth I dig." When farmers made that statement to me I realized exactly the thought that would occur to my own mind as a farmer if the proposal had been put up to me. If I worked every day of the year, from beginning to end, it would be difficult for me to dig that hole, and if I worked only at such times as I could spare from farming, I should probably not be able to dig it at all.

At a meeting that was held I called attention to the experience that I had when I was in Ontario—and every farmer from Ontario knows this—when the farmers want to thresh their crops they get in about a dozen of the neighbours and spend a day threshing that crop; then they go to another farmer's place and do the same thing. I said, "Why don't you do the same thing down here?" The chairman replied, "I will tell you what we will do. You make that four and a half cents a yard and that will

pay approximately half the cost of digging the holes. We will dig the top half; you do not need to pay us at all. Then you bring in a drag line and take out the bottom half and the four and a half cents will pay for it, and we will dig these dugouts." Well, they started the next week to organize a committee and in that area they made dugout after dugout, with the result that next spring, when the water run-off comes along, the farmers will have a store of water for their stock. It is committees of that sort that we need in that area, committees that organize themselves voluntarily or under the direction of the department; and we want some legal authority to deal with these organizations as committees organized under the act. We are going ahead if this bill passes the second reading and goes on to final signature by the governor general. The other existing committee will probably remain.

There is one thing more I think I should explain in connection with the present intentions of the government in carrying out the activities proposed under the rehabilitation act. I will not go over what has already been done under the act as it stands. Everyone is familiar with the digging of dugouts, the building of dams, the reseeding of grass in certain areas, and everything of that kind that is being done.

Mr. WOODSWORTH: To what percentage of the whole territory involved does this work apply? How much does it cover?

Mr. GARDINER: It applies to approximately all the area I spoke of at the beginning, that is, the area contained in the lines from south of Morden to Lloydminster and towards the southwest.

Mr. WOODSWORTH: Up to the present time to what extent have dams and dugouts covered that area?

Mr. GARDINER: When I was there last summer I had some discussions with our own organizations as to the rate at which this work was proceeding, and in order to convince them that they did not have a proper picture of it I took two of them in an aeroplane and we flew over the district. The picture one gets flying over the district is this. One looking down on a certain area sees that half the farmers have dugouts which they probably made when they first went there; no doubt they dug them in some better period. These men have no water problem to worry about because they have their water supply. But one will find in every one of these communities half a dozen other farmers who for some reason or other did not provide themselves with these dugouts and now in these difficult times they are without the means of doing the work. I shall be able to give the exact figures when the estimate comes down, and perhaps it would be better not to attempt to speak accurately until then; but I can say that a considerable number of these dugouts and dams have been completed over the whole area.

We have deemed it advisable to set up a central office in Regina and there we are compiling all the information that is available from the municipal authorities and the provincial and dominion governments with regard to moisture condition, soil condition and so forth in these areas; and in addition to that we are completing a survey made in the province down to the first of January, 1935, showing ownership of lands in the area. We hope to have that survey completed early this spring, and, when it is, we intend to call into conference representatives of all the organizations mentioned in the original act and there determine upon some line of policy to deal with the situation. To indicate what I have in mind, I may say this. There is an area where a complete survey has been made in the northwestern part of Saskatchewan. There is another in Alberta. The area in Saskatchewan shows that in a considerable extent of country there are only fourteen farmers still left on the land, because these lands are marginal lands. In all probability the fourteen who are there are among the best of the farmers who were in the district to begin with, and they are still there partly because they have a run for their cattle near where they are living. What we hope to do is to get the cooperation of the railway companies, which still have an interest in some of these lands; the cooperation of mortgage companies, who may have some interest; the cooperation of municipalities who may have taken over lands for unpaid taxes, and the cooperation of the provincial and federal governments, in getting the people moved off, say from a piece of mortgage company land in the centre of the area to a piece of land owned by the mortgage company outside the area, transferring the obligation along with the farmer. Then we hope to be able to have the whole marginal area fenced and turned into what may be called a community pasture. We hope to have the government take some responsibility for providing a water supply and directing the breeding of live stock in those areas. In other words, instead of trying to convince the people of that section that the land should

all be turned back to range country, comparatively small areas, which are surrounded by better land, should be selected and turned into community pastures, which should be placed at the disposal of the people in the neighbourhood without cost to the individual other than the fees he pays to put his stock there. In brief, the land would be converted into what are for all intents and purposes public ranches.

Last year some of our friends from eastern Canada went west to purchase cattle under a scheme which the government evolved of paying half the freight on cattle brought from the drought area to eastern Canada. I think they will all agree that in buying cattle they got the best satisfaction when they could go to a ranch where the cattle were all bred in one way so that when they looked at one animal it could be taken as fairly representative of most of the stock to be found in the herd. They purchased these cattle, brought them to eastern Canada, and are feeding them on their farms here. We believe that the setting up of a number of these community pastures will result in their becoming breeding areas for the stock of that district, to which people can go and obtain stock from time to time. Experience shows that 600,000 head of cattle in the southern part of Saskatchewan, and a much greater number in southern Alberta, is too large a number to be fed there from year to year under the weather conditions that exist.

Mr. BENNETT: That is true.

Mr. GARDINER: If we can have the herds properly established in the first place, breed them properely, and make it possible for individuals, either dealing indirectly or going and seeing the stock for themselves, to have this well known breed of stock brought down to feeding fields elsewhere at about one year old, we believe we shall be doing something for agriculture not only in the drought area but throughout the length and breadth of eastern Canada. In other words, we hope to bring together all the people of Canada, not only as has been done in recent years in helping the people in that area in difficulties which are beyond their power to overcome, but to cooperate in reestablishing them.

Going back to a point I made in the beginning, to the effect that I believe the system of surveys adopted was wrong, I am sure we can settle people to better advantage around these community pastures and around water supplies throughout that part of the country than in any other way. That resettlement will probably require the organization of these people into communities, and the communities will require committees such as are spoken of in the bill. These committees will work at the job with the advice and assistance of officials of the Department of Agriculture. In other words we hope to put some direction from the department at the disposal of committees established here and there, helping the people to do something for themselves. Nothing is more disheartening than to see a man in that country with a section of land on which he has been doing his best to grow a crop, and the winds and the heat in the early part of July gradually wiping it out, while he wonders what he is going to do for the next winter. And yet, looking down over the bank of a ravine such as that of the Qu'Appelle, if he is far enough north, or the Frenchman river, if he is in the southwestern corner, or the valley of the Saskatchewan, spots of land can be seen upon which he could live and use the land to much better advantage than it is now being used if there were means of getting there. When we build a dam that costs $130,000, as we did at Valmarie, and see below it some 6,000 acres of land that can be used for the settlement of people, this government believes that that land should be in the possession of the people of Canada, or at least in the possession of the province in which the dam is located, and we believe that land should be used for the resettlement of these people.

Some hon. MEMBERS: Hear, hear.

Mr. GARDINER: If we could take people off some of the large expanses at the top of the hill and put them down in the valleys on farms of forty or eighty acres, give them a water supply from the dams that are built, put them in a position where they know they can grow sufficient feed for a certain number of head of stock, and then at some other point where wheat growing is not practicable organize a community pasture into which they can put their stock during the summer, have them properly bred and taken out in the fall and brought back to the feeding lots, we should be doing two things: organizing the people into communities where life would be more worth while, and at the same time cutting down the expenses of the municipalities, the school districts, and the province. And I think we can do the same thing about community pastures on the marginal land as we can about these reservoirs of water of which I have been speaking. As to the areas of better land, I think we need not worry particularly. Those for the time being will operate very much as they are.

May I conclude by saying that this not a one year job; it is not a job that can be done

by having an act on the statute book providing so much money this year and perhaps nothing next year. I do not think it is a job that can be done even in three years. The bill now before the house is limited to three years, merely to allow us to proceed with the job we have in hand to the point where we can come back to the house, show what has been accomplished and ask for the amount of money we believe will carry the job to a conclusion. We believe the time has arrived when the Dominion of Canada, looking back at an expenditure of $50,000,000, should be prepared to face an expenditure of at least $10,000,000 over a period in order to avoid similar expenditures in the future.

I therefore move the second reading of this bill in order that it may go on to the committee.

Mr. G. W. McDONALD (Souris): Mr. Speaker, I am very much interested in the bill which is before the house, and I know that all hon. members from the west, and particularly those from the southern parts, are equally interested, as well as a large number of people who have been affected by the drought of recent years. I wish to compliment the minister on his presentation of the case and to concur in all he has said on this burning question. It is quite evident he has made a real study of the subject, and I believe all hon. members ought to show an interest in it, not only to save future expenditures, but because it is good business to grapple with the problem when it presents itself. I am sure hon. members were interested to hear that one-quarter to one-fifth of the tillable land in Canada has been affected by the drought. One other fact seems equally evident, namely that if the problem is not solved in the near future the trouble will spread.

Before discussing the subject under review, on behalf of the people from the west may I thank the former administration for introducing the legislation, and the present one for amending it and trying to put it into operation. Further, may I thank both governments for the splendid help given the people in the west by way of relief. Ten years ago our people would have scorned the idea of having to accept relief. We have as good a class of people in western Canada as are to be found anywhere, and relief is one of the things they never thought they would have to accept. For that reason I would urge that the house do everything possible, as soon as possible, to help overcome conditions in the west which are bound to spread. Drought and drifting sand will not confine themselves to a small area, but will soon extend to greater and greater proportions.

Further, may I thank the combined churches of Canada who were responsible for shipping hundreds of carloads of vegetables into western Canada. One should refer also to the Red Cross, because surely if there is one organization in Canada which is doing good work, it is that one. In thanking the Red Cross one must include those who contributed to its fund. Then, in this connection I cannot leave out the manufacturers. I have talked to some of the secretaries responsible for the distribution of the clothing shipped into our country by hundreds of bundles, and they have said to me that some of the articles were too good. I replied, "Not a bit of it." We received all kinds of underwear for the people in the district, and other commodities, including the best grade of woollen blankets Those things are not too good for our people. Those who received them certainly feel grateful to the people who gave them, and I believe good will come of it. We must remember the old saying that it is an ill wind that blows nobody good. It is my belief that the spirit of gratitude in which the people of the west received these goods will certainly cause them to have a better understanding of and a more kindly feeling towards their friends in the east. It will be a long time before we forget the kindness of the people throughout all Canada, and the splendid way in which they came to our relief at a time when we so sorely needed it.

I am not in a position to give expert advice as to how the difficulties in the west can be obviated, but I am pleased to see that the government has made a start. The minister was talking about dugouts, of which in my constituency there are hundreds. We have machines in the west which will dig as many as two in a day. They have been working for many weeks, and yet it will be a long time before every person can have a dugout. They are still within thirty miles of the town of Boissevain in which I live. However, the people who have the machines are digging them as quickly as they can be dug, and in every instance the government is doing its share.

Then, we are planting trees. We have begun an experiment in the southwestern portion of our province. Two whole townships, with the exception of very few farmers, have agreed to prepare the land and to plant the trees furnished free by the government, even to

the extent of paying the express charges. The farmers are paid at the rate of $3.50 per thousand for planting the trees, and in addition they are paid $20 per mile per year over a period of four years for attending to the trees which have been planted. In 1936 hundreds of miles of land within the area were prepared for the planting of trees, but I am sorry to say the drought was so severe that the experts from the Department of Agriculture would allow us to plant only 125 miles. The trees are of the giant Caragana type. They are planted forty rods apart, and will be cultivated by the farmers of the district and paid for by the government. This is the first experiment of the kind, so far as I know, in the province of Manitoba.

In addition to that the Souris river has been surveyed from the boundary as far north as the town of Souris and I believe it is the intention of the government to put in at least a few dams. Some may say that it was an act of God that brought on the difficulty. I wish to say that these are conditions of which we have had no experience. The land on the western plains is possibly as fertile as any land under the sun. Past events have proven the truth of this statement. In some seasons when the rainfall is slight and when the winds are high we experience continual drifting, which in a very short time will blot out or cut off even the most rapid growth. At that time of the year it takes almost continuous rainfall to produce growth.

We have these conditions, but it does not matter now whose fault they may be. We must face them, and I believe they can be overcome. There is such a thing as dry farming, and with the planting of trees, favourable seeding conditions, less cultivation, and more pasture land, conditions would improve. The time is not far distant when the farmer will be only too glad to take the advice of the Department of Agriculture in these matters.

In some respects the department has made mistakes and suffered through lack of experience, the same as the people did. I have been told that weed inspectors told different provincial departments that a serious condition was ahead of us, and that it must be tackled, but no attention was paid to them. In western Canada we have been afraid to advertise our troubles. We were afraid we might give our country a bad name. However, the conditions are now known and it would be folly to try to hide them. Fortunately they are not insurmountable, and with the cooperation of the house, departments of agriculture in the west, the federal department and the farmers there will be little difficulty in overcoming them. But it will take time.

I understand there are other hon. members who will wish to talk on the subject. I had not intended to attempt to give expert advice. True, I have lived in the west for thirty years and knowing the conditions I would express the hope that the rest of Canada may never have to experience the difficulties through which we have passed. But if that time should come the house may be sure that if people in the west are in a position financially to do it, they certainly will be willing to help out. I hope, however, that such help may never be required. No doubt after the experience we have had, the rest of the country will take every necessary precaution.

I shall not deal with the subject at greater length, except to say that the west is worth saving. Last year I heard the leader of the opposition (Mr. Bennett) speak of conditions in Alberta, where the farmers could produce in one year more than $100,000,000 in wealth. In the mind of the Minister of Agriculture, Saskatchewan may be the richest province, but speaking broadly of western Canada the former prime minister said that in the prairie provinces wealth can be produced in volume in a shorter time than it can be produced anywhere else. The matter therefore is well worth the serious consideration of this house with a view to the devising of ways and means of combating the drought problem as we have known it in the west for the last seven years.

Mr. T. C. DOUGLAS (Weyburn): Mr. Speaker, may I take this opportunity of congratulating the Minister of Agriculture (Mr. Gardiner) upon the statement he has made. While there are many matters that we do not view in exactly the same light, I doubt whether I have ever heard the case for the farmers in the drought area of western Canada presented in a more informative or comprehensive manner. The constituency to which I belong is in the centre of the drought area, and therefore I feel that in discussing this problem I am not asking the house to devote its attention to a merely local problem. This problem affects more than half the province of Saskatchewan as well as large areas in Manitoba and Alberta. The problem of drought affects the welfare of hundreds of thousands of people in western Canada and ultimately the welfare of the entire dominion. The problems of the drought area may be divided mainly into two classifications.

First, there are the problems directly attributable to economic conditions. In common with the rest of Canada we have felt the repercussions of the world-wide depression which has been in effect since the fall of 1929. I am cognizant of the fact that every section of Canada has its own peculiar economic problem, and western Canada is no exception. However, there are several particular problems that have led to straitened economic circumstances in the west, and it is my intention to review these briefly.

The present economic condition of the prairie provinces had its origin in part, as the minister has already said, in certain mistakes in early land settlement policies. These were evolved and applied at a time when the control of the natural resources of the province was administered from Ottawa. It is unnecessary for our purposes here to endeavour to place the blame for these mistakes; suffice it to say that some 290,000 farm families were scattered over a huge triangle, the longer side of which stretched for some 1,200 miles from southeastern Manitoba to the Peace River block in British Columbia. Hindsight is always better than foresight, and it is apparent now that some more orderly type of farm settlement would have saved enormous sums of money during the past forty years. If outer areas had been opened up, only after reasonably close settlement along a limited network of railway mileage, the population would have been better supplied with roads, schools and transportation services at a much lower cost.

Another mistake made was throwing open for settlement large areas of sub-marginal lands, unsuitable in many respects for the growing of grain. Even under the best possible conditions, only a precarious livelihood could be hoped for in such areas, and in times of drought only failure could be expected. No continuous or extensive attempt was made to test the soil scientifically or to determine the sources and amount of water available. Where attempts were made to classify new land, these were ignored totally by the incoming settlers.

Added to the mistakes made in land settlement is the even more serious problem of the burden of debts now being carried by the people of the prairie provinces. Under the urge of speculation, farm and other properties were bought for sums out of all proportion to their capacity to produce. On the strength of prices prevailing at that time, money was borrowed against these newly acquired lands at high rates of interest. It is useless to say that the debtors were not compelled to borrow, for it can be said just as truthfully that the creditors did not have to lend. The money was not lent to the western pioneer because of any philanthropic motives. Money was lent to the west because higher rates of interest were available there than could be secured in the east. Money was invested in western Canada for purely business reasons; it was a partnership in which both parties hoped to profit. What was true of agriculture and business was equally true of municipal and provincial bodies. Expanding prosperity seemed to warrant heavy capital expenditures. In those days there were to be found lenders just as eager to lend as the borrowers were to borrow.

It is unnecessary to review in any detail the results which followed the deflationary period, commonly referred to as the depression. With the sudden falling of prices of all primary commodities, there occurred conversely an increase in the value of the dollar. Debts that had been incurred when wheat was $2 per bushel had to be met with wheat selling at fifty cents or less per bushel. The value of property dropped alarmingly and was no longer considered as good security. Loans were called in and credit restricted. As a result, farmers, workers and businessmen are now faced with the problem of debts, the principal of which cannot be paid at existing prices and to which has been added, in most cases, the unpaid interest for the past five or six years.

The Minister of Agriculture made some reference to the attempts which have been made along the lines of debt adjustment and to the debts which have been cancelled during the past year. I have no wish to digress from the matter before the house and get into the question of debt adjustment, but I should like to point out that the problem facing the western farmer who has had to accept debt adjustment can be summed up in a single paragraph contained in the standard renewal agreement which these farmers have been compelled to sign. I quote as follows:

> For better securing the punctual payment of the moneys payable under these presents and said mortgage, and pursuant to the Land Titles Act, the farmer does hereby agree to become and does become tenant to the mortgagee of the said land, and the mortgagee does hereby lease the said land to the farmer for a term of three years from the 1st day of January, 1937, at a yearly rental of one-third of the whole crop of grain of the different kinds and qualities grown on the said land in each year, to become due and payable at the time of cutting of any of the said crop. The mortgagee may at any time after default under these presents determine the said tenancy without any notice to quit.

Nor have government bodies fared any better. Municipal and provincial authorities have been called upon to assume hitherto undreamed of responsibilities in the way of relief. Feed and seed requirements had to be met, and added to these was the fact that revenues were curtailed because of the inability of large numbers of the population to pay their taxes. It has been estimated that the funded debt of the three prairie provinces is in excess of $500,000,000, and that the net municipal debts, including those of municipally owned utilities, are in excess of $300,000,000. There must be added to these amounts the huge sum owing in farm and urban mortgages, balances due on agreements of sale and on commercial accounts. When we add to all this the freight discrimination which has operated for years against western Canada; when we consider further the fact—this is taken from the report of the Minister of Labour (Mr. Rogers) as published in 1934—that the tariff cost the western provinces $54,925,352 in the fiscal year ended March 31, 1931, and when we recall to mind the fact that, with the exception of the years mentioned by the minister, the price of wheat has seldom equaled the cost of production, it must be clear to hon. members why the economic conditions of western Canada are so acute.

As I said, there is a second classification of conditions affecting the welfare of the people of western Canada. I refer now, not to the economic conditions which are general throughout Canada, but to the climatic conditions which are peculiar to the section known as the drought area. For the past five years drought has affected an area of 75,000 square miles, including some of the best wheat land on the North American continent. This area is on a front of about 700 miles in length. When we call to mind that in 1928 one billion bushels—let there be no mistake, one thousand million bushels—of grain were produced in western Canada, and when we realize that over much of that land black blizzards have since blown with relentless fury, we can understand how parts of that country have been reduced to a veritable desert.

The real tragedy of the drought, however, was not the loss of crops, but the fact that the absence of water meant the loss of hogs, cattle, poultry and vegetable gardens. In short, the drought took from the prairie dweller his livelihood and left him, for the first time in his experience, entirely dependent upon the outside for his daily food. The result has been a lower standard of living for western people. Relief measures may have provided sufficient to keep body and soul together, but there has been no way of replenishing the stock of dishes, bedding and furniture that have worn out during the period of the drought. The vitality of our people has been slowly sapped; their health has suffered; the social life of the drought area population has been seriously impaired, with disastrous results to the mental and physical condition of our people. The Weyburn Mental Hospital, located in the constituency which I represent, is at the present time admitting an average of over one person per day to that institution. Education has been maintained only because some of our teachers with undaunted courage have continued to teach in rural schools for the unheard of pittance of from one to three hundred dollars a year.

I think nothing could show better how the income of the western farmer in Canada has been reduced than to quote from sessional paper 146, which gives the income tax paid and the number of farmers paying income tax in Saskatchewan since 1930. I quote:

Number of farmers in Saskatchewan paying income tax	
1929-30	1,304
1930-31	994
1931-32	144
1932-33	32
1933-34	29
1934-35	38
1935-36	96

This is the total amount paid in income tax by the farmers of Saskatchewan during that period:

Amount of income tax paid	
1929-30	$53,324 51
1930-31	53,128 50
1931-32	5,434 98
1932-33	776 26
1933-34	1,312 07
1934-35	2,614 72
1935-36	3,166 21

Nor has the drought problem affected the rural population alone. The greatly diminished purchasing power of the farmers in the drought area has meant hardship for the workers, professional and business men whose livelihood depends upon the farmers' prosperity. Merchants and professional men have found it impossible to collect back debts and have been compelled in many instances to continue serving the drought-stricken farmer without any hope of immediate remuneration. Workers have found that lower wages and unemployment have inevitably followed the bankruptcy of the western farmer.

The effect of this combination of economic and climatic conditions has been twofold. First, it has produced a system of relief of the most pernicious kind. Since the opening

of the session some statements have been made in this house with reference to racketeering in the matter of relief. May I ask the house why we have such a condition? Is it not largely that we have placed a premium upon improvidence? In Saskatchewan, for instance, the government has a relief schedule depending upon the number of persons in the family, but there are deductions if the farmer milks cows, keeps chickens or raises hogs, with the result that the farmer is best off who does the least to help himself.

The second effect has been on one of our greatest natural resources, namely, the wheat growing land of western Canada, which is in danger of being very rapidly wiped out. The report of the Canadian Conservation Institute shows that the area affected by drought is slowly spreading northward, and unless some immediate steps are taken to combat this menace we are in danger of losing one of our greatest natural assets. I submit therefore, Mr. Speaker, that this affects not only the actual area involved but the entire Dominion of Canada. It has been estimated that the western farmer has had his purchasing power reduced to the amount of $450,000,000 a year since 1929. This undoubtedly has had a disastrous effect upon the industrial areas of eastern Canada. I feel, as has been already suggested by the leader of the opposition (Mr. Bennett), that these conditions constitute a national menace. Were an epidemic or a flood or a forest fire to break out in any part of Canada, the government would promptly rush assistance to the district affected. I contend that an equally serious calamity has occurred and that definite steps must be taken at once.

The first step which I think should be taken, and indeed must be taken, is that the people within that area shall be guaranteed at least food, clothing, shelter, fuel and the necessary medical services. It is hardly necessary to stress this point. In a country which produces wealth to the extent that Canada does, there is no need for any person, or any group of persons, to suffer privation. But may I say this cannot be done if provincial relief grants are to be cut, as has been announced in the press, on April next. There can be no money in western Canada until after the next crop, if there is a crop. Most of the provinces are close to bankruptcy; they have been unable to collect their taxes, and a reduction in relief grants could have only one result, namely, a lower standard of living for our hard pressed people in the drought area.

The second step which I would suggest is a rehabilitation program similar in some respects to that outlined by the minister. The speech from the throne this session contains this sentence:

> A comprehensive program to meet the serious conditions created by widespread and intense drought in western Canada was adopted during the summer months.

Without being unduly critical, may I say that while such a program may have been adopted, no material evidences of it were at all apparent in the large part of southern Saskatchewan which I covered.

The constituency from which I come borders on the international boundary, so I have had an excellent opportunity of studying the work being carried on by the United States government in what is commonly called their "dust bowl." In an area slightly smaller than our drought area the United States is spending $500,000,000 over a period of ten years. This means $50,000,000 a year. Compare this with the situation in Canada, where we have spent $850,000 in two years in rehabilitating the drought area. In other words, we are spending less than one per cent of the amount being spent by the United States government in the same period in a slightly smaller area, admitting, of course, that the United States area is much more densely populated.

I contend, Mr. Speaker, that if rehabilitation is to be anything more than a mere gesture, we must be prepared to spend at least $5,000,000 per year over a ten-year period in order to produce any serious effect in retarding the ravages of the present drought and to take the necessary measures to meet a recurring drought. There may be some dismay experienced at a figure of $5,000,000 per year. The other evening the right hon. leader of the opposition reminded the house that there is a limitation upon the money which may be expended, having relation to the benefits to be derived therefrom, and to this the Minister of Finance (Mr. Dunning) nodded his assent. May I point out that $5,000,000 is not anywhere near the point of limitation.

Mr. BENNETT: No one suggested that it was.

Mr. DOUGLAS: I am not suggesting that; I am merely saying, with reference to the figure I am citing, that it is nowhere near the point of limitation. In the first place, this area constitutes the granary of the world. It would cost a great deal more than $5,000,000 if we were to lose some of the finest wheat growing land in Canada or if we had to

transport and resettle the people now living in the area. May I point out also that under an appropriate rehabilitation scheme whereby wages would be paid for services rendered, this $5,000,000 would not be expended entirely on rehabilitation; it would relieve us of the necessity of paying relief in some instances, and thereby a saving would be effected.

Let us examine, therefore, whether there is any hope of such an expenditure being warranted. It is often said that no matter what you do you cannot change the climate. That is granted, but there are things we can do. I have before me reports on a number of surveys that have been made by engineers, some under the auspices of the Canadian Conservation Institute and others under the direction of Secretary Wallace of the United States Department of Agriculture. Most of these reports agree on one or two cardinal points. The first is that the great tragedy of the drought was due to the fact that we were not prepared for it. The second point on which they agree is that the reason for most of the suffering occasioned by drought, was not merely the lack of crop but the lack of the necessary water to sustain stock, water gardens and carry on the ordinary routine of life. In short, the real tragedy was that the farmer was no longer able to supply his own table and feed his family. Had the average farmer been able to keep his cattle, hogs, chickens, horses and so on; had he been able to irrigate even a small garden, the loss of crops would not have occasioned anything like the suffering which has come to the people in the drought areas during the past six years. Most engineers are agreed that while we cannot change the drought cycle, nevertheless we can prepare for the contingency of drought. Some authorities contend that the drought cycle ended in 1936, which may or may not be true. If the present drought cycle is broken—and we hope it is—then not only must we rehabilitate the soil from the ravages of the drought that has taken place, we must also take measures against future contingencies.

Whether we like it or not, Mr. Speaker, drought will continue to be a recurring problem. The measures to which we may resort have been dealt with already to some extent by the Minister of Agriculture, but I wish to group them into three classifications. In the first class are those measures necessary for replacing fibre in the soil. In the second class is the conservation of water, in order to keep stock alive. In the third class are steps to prevent, as far as possible, evaporation of moisture, which is so great a factor in soil drifting.

With reference to the first group, the replacement of fibre in the soil, I quote from the report of the Canadian Conservation Institute, which makes the following suggestions: First, soil drifting can be largely prevented; second, strip farming is at least effective temporarily until other factors are adjusted; third, cover crops help and, fourth, fibre can be returned to the soil by growing forage crops.

Mr. BENNETT: Then it is no longer wheat producing land.

Mr. DOUGLAS: That will be true of some of the areas, and I shall be more specific about that in a moment. There are areas which never should have been opened up for the production of wheat, principally the highlands, which are dotted here and there with lowlands which can be used for wheat production. Not only that, but farmers have been in the habit of leaving a large part of their farms in summer fallow every third year. Now they have come to the point where, if they can afford to do so, instead of leaving part of their farms in summer fallow, they put in some cover crop in order to put fibre back into the soil. In North Dakota I came across a number of farmers whose soil had been tested. The nitrate qualities were still in the soil; the difficulty was that the soil had been reduced to a powder by the constant erosion of the wind with the result that the soil lacked fibre. The government of the United States, under the A.A.A. program, gave these farmers crested wheat grass seed free of charge and paid them $7 an acre to put it in. They did so, and the results were twofold. In the first place, the farmer was no longer dependent upon relief in any shape or form; he had enough to buy feed for his horses and was able to keep his machinery in a state of repair. Most important of all, however, was the fact that he had begun to rehabilitate the soil in order that once again it might produce wheat.

I am not suggesting that we are in a position to supply free crested wheat grass seed and pay farmers $7 an acre to put it in, but I am suggesting that this seed could be made available and at least feed could be given for the horses of the farmers or fuel for the tractor farmers.

Mr. EVANS: Might I ask a question? Was that not done in Saskatchewan? I understand that crested wheat grass seed already has been furnished to the farmers.

Mr. DOUGLAS: Yes, crested wheat grass seed has been furnished, but in most cases where it would have been of value the farmers had no feed for their horses, with the result that they could not put in the seed. In many cases the horses are in such weakened condition or have died or been sold, with the result that the farmers are not in a position to put in the grass seed even if it should be given to them. It will be necessary to give not only grass seed but also feed for their horses or fuel for their tractors.

With further reference to the point raised by the right hon. leader of the opposition, before passing on I may say that in the drought area there are areas of land which never should have been opened up for wheat growing. Some of them will have to go back to grass for ranching purposes, and in those areas there will have to be such a movement as has been suggested already by the minister. In the majority of cases, however, proper cover and forage crops will bring back the soil to the point where once more it will be able to produce cereal crops.

Now I should like to say a word with regard to water conservation. As I have suggested already, during the drought the main difficulty was that it caught us unprepared. The impounding of water in small bodies would make it possible for a farmer in the drought area at least to keep himself and his stock. The other evening someone said you could not impound water if it was not there, and unfortunately in many districts that is only too true. But in many districts there is water which is not being impounded. In the spring of 1934 I stood at a point twelve miles north of the town of Trossachs and watched many tons of water pouring down into a gully. When I came back three months later, it was a desert where one could not even pasture cattle. Some steps should be taken in such places to catch the freshets in the spring by means of small dams built to hold water so that the horses might be kept alive. This might be done in three ways. First of all, individual dug-outs might be built on the farms. The Minister of Agriculture has said that, despite the fact that the government has been offering $75 for the building of dug-outs, very few of them have been built. The explanation is simple. First of all, it costs $150 to dig a dug-out to the specifications set down by the department, and this means that the farmer must be able to put up the other $75. But that is not the most serious handicap; the real handicap is that the farmer must have the necessary scrapers and these he has to borrow from the municipality. But when he borrows them and has only his son or a hired man to help him, it takes several weeks to dig the dug-out, and while they are digging it, other farmers in the community have not the use of the scraper. Unless there can be some way of paying the farmers so much per day or supplying feed for their horses and putting in sufficient machinery to enable them to work in groups, no progress will be made. A group of men could dig a dug-out in less than a week, whereas the individual farmer without any assistance will work the entire summer at it. In Manitoba, I understand, the provincial government has put out digging machines with the result that an entire dug-out is made in a day. That is not done in the part of the country I come from, and there is need of it. If every farmer had in his back-yard an individual dug-out according to the specifications set by the department, he could see his way through the summer and would be able to keep his stock alive.

Mr. BENNETT: Will the dug-outs hold water?

Mr. DOUGLAS: Yes, they will. I had thought the water would seep away, but this has not happened. The ground is so hard that it retains the water. This fall I visited dugouts made a year ago and it did not seem possible that animals had been drinking from them at all.

An hon. MEMBER: Does the water not get very foul?

Mr. DOUGLAS: Yes; it would not be fit for human consumption, but it is excellent for stock. Another method would be to build small dams in some places. Farmers who have good horses and can buy feed should be able to build these dams very successfully, but a great many of the farmers are not in a position to do this. Again, there is the possibility of putting gangs of men to work. Here I would refer to the United States, though of course I do not suggest that we should follow them slavishly. In North Dakota and Montana I found groups of men working. A farmer working by himself received $4.80 a day, and a man with a team of horses received $8.80.

Mr. BENNETT: That was before the election.

Mr. DOUGLAS: He was allowed only ten day's work. The elections may have had something to do with it, but I know the results were beneficial. It gave the people purchasing power and it gave them supplies of water for their cattle. Another thing that can be done has already been mentioned, and that is the building of municipal dams.

Once the problem of storing water has been settled, the next question to be considered is the possibility of retaining the moisture and of preventing evaporation. This could be accomplished by planting shrubs and trees and keeping summer fallow from lying bare by having coverage growing on it.

I suggest that the attitude taken by the Minister of Agriculture this afternoon will be something of an inspiration and encouragement to the people of the drought area. Very frankly, they were discouraged last summer and fall. The Minister of Labour (Mr. Rogers) visited the drought area and some of us hoped that something would come of his visit. Unfortunately, however, he could not spend much time there. He remained two days in the drought area and most of the time he spent in Regina and Moose Jaw. Returning to Ottawa he said to the press that he had been encouraged by his visit. Unfortunately he was the only person on whom the visit had that desirable effect. However, the statement of the Minister of Agriculture leads me to think the government is going to take a more constructive attitude to the problem.

May I suggest to the government that the spending of less than an average of half a million dollars over a period of two years does not begin to touch the problem. It seems to me that in the past two years the government have been penny-wise and pound-foolish, in connection with this scheme. We have spent less than one per cent of what our neighbours to the south have spent in dealing with a similar problem. Five million dollars a year may look like a lot of money, but I submit that the returns warrant it, especially when we remember that in last year's budget we set aside $140,000,000 to meet interest on funded debt, and this year it will be $138,000,000. I remember also that some $3,000,000 went to the railways for maintenance of way work and this year we shall vote in the estimates nearly $300,000 for delegates and decorations in connection with the coronation.

Mr. SPENCE: What has that to do with the question?

Mr. DOUGLAS: In sessional paper 129 I see that we are paying to legal counsel in the Turgeon wheat investigation $20 a day living expenses and $200 a day salary. In view of all these expenditures, surely $5,000,000 a year to help to reclaim 75,000 square miles of country and to take care of nearly a million people and make it possible for them to raise their standard of living is not too much. This country cannot give too serious consideration to a group of people who are on the verge of starvation and bankruptcy.

Mr. H. W. WINKLER (Lisgar): As one representing a constituency lying partly within and partly outside the dried-out area, I wish to make a few remarks. The ground has been pretty well covered, but I would say that whether sunspots or trade winds or other contributing factors have created the condition which exists in western Canada and in certain parts of the United States, we are all agreed on one thing, and that is that it is a national catastrophe. Floods have been regarded as a national calamity in the United States and earthquakes have been so considered elsewhere. These calamities are spectacular, and though the calamity that we are now discussing is not spectacular it is nevertheless just as devastating.

Naturally there are difficulties in connection with the question of boundaries and the minister no doubt fully appreciates this fact. In the district I have the honour to represent there are two rural municipalities that still lie outside the dried-out area, but they are as badly affected as any in southern Manitoba. In fact, last summer I motored over most of the area in southern Manitoba and I can say that there is no area that is in a worse condition than the particular district to which I refer, namely, the municipalities of Stanley and Rhineland. These are only in part affected; nevertheless I am sure that those who have gone over that part will say that those areas are as bad if not worse than any in southern Manitoba. There has been considerable difficulty over these; letters have poured in to the provincial government and representations have been made, and the understanding seems to be that the federal government refuses to consider these areas as part of the federal relief scheme. I have before me a letter dated November 16 last, signed by Mr. Miller, the legislative assembly member for Morden, in which he says:

> I have been advised by the provincial government that the government at Ottawa definitely refuses to extend the drouth area to take in the southern section of the municipalities of Stanley and Rhineland.

In view of that I put on the order paper last Monday a question which appears at page 631 of Hansard, and the answer clearly indicates that the Department of Agriculture regards this area as not having been requested for inclusion in the area for which the dominion government would be asked to assume responsibility. The minister has just said that the department insists on the province making the recommendation in advance. Apparently no other recommendation was found than the map submitted early in the negotiations. So I suggest that there is room

for considerable improvement in striking these boundaries. I am confident that ultimately these areas which are so bad will have to be included, but until they are there is going to be a great deal if dissatisfaction. I suggest that the provincial government be required to make a survey, because if they do not there will be municipalities all over the province asking to be included, and if the government depend upon petitions they will go very much astray. I have only one recommendation to make, which is that this government ask the provincial government to make a survey; if that is done, such an area as I have described cannot be overlooked.

Motion agreed to, bill read the second time, and the house went into committee thereon, Mr. McIntosh in the chair.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock, Mr. Sanderson in the chair.

On section 1—Committees.

Mr. BENNETT: Is it proposed to pay these committees?

Mr. GARDINER: No, there will be no pay.

Section agreed to.

On section 2—Duties of committees.

Mr. BENNETT: I find great difficulty in this section. I believe it is a duplication of the existing section, and provides merely that two shall do what one is now authorized by law to do. That cannot be controverted. The position under section 3 of the act of 1935 is that named persons constitute a committee, and the duties of the committee are defined in section 4 of that act. It is now proposed to establish one or more committees, and the section defining the powers of the new committees, as well as of the old, is the same as the existing section 4, with the exception of changing the word "committee" to into "committees" and adding the words "land utilisation and land settlement." The first question which suggests itself to me is this: Is it proposed to do away with the advisory committee?—because otherwise the new section means nothing more or less, as I say, than simply the creation of another committee with the same duties as the advisory committee? Perhaps the minister would enlighten us on that.

[Mr. Winkler.]

Mr. GARDINER: If I thought the section meant what the leader of the opposition has indicated, I would have it redrafted. However, I believe it provides what we wish. As I said this afternoon, a number of committees have already been set up. They are advisory committees, but they advise locally. For example, in connection with the area surrounding the town of Estevan there is a farmers' committee known as an agricultural association, and taking in, I would say, about three or four municipalities. It has no direct connection with the municipal council, but the reeve of one of the municipalities happens to be chairman of it. That committee has been very active, it has taken great interest in the reseeding of areas, providing of water supplies, and organizing methods of digging dug-outs which I described this afternoon. This is done without expense to the government. Any time any departmental official or I may have been in the district, we have been willing to sit in with the committee and listen to suggestions they had to make. We have adopted those which seemed good, and have directed their activities in connection with other matters. It has not cost the government anything. It is all to the good, and we would like to encourage that kind of thing. The original committee for which there was provision in the act advised strongly in favour of organizations about which I have been speaking. Before I took charge of the federal department, half a dozen organizations similar to the one I have indicated had been set up. In entering upon the work we found that such committees had no legal standing. This year, in making an effort to get someone to take responsibility for the building of some of the community dams, we found that we really had no one to whom we could go who seemed to have any constituted authority to deal with the matter. We believe it would be much better to have power under the act to have more than one committee with the right to advise the government. Of course, if we think it is good, we take the advice of the original committee. Otherwise, we explain our reasons for not following their suggestions.

Mr. BENNETT: Well, one cannot change the language of the bill merely by stating that it does not mean this or that. The real truth of the matter is this: This measure wipes out of existence the prairie farm rehabilitation advisory committee. That is number one. And mark you, it does it very clearly. Why should the advisory committee be wiped out? If one looks at section 3, which is printed on the opposite page of the bill, we find the personnel of the committee therein set out.

When the original measure was passed, the house give a good deal of thought to it. First of all, the committee was to consist of the following personnel, as set out in paragraphs (a), (b), (c) et cetera. They are wiped out.

Mr. GARDINER: I would not say they are wiped out.

Mr. BENNETT: But they are; the section says so.

Mr. GARDINER: No. We do not of necessity have to have them, but we can reconstitute the same committee.

Mr. BENNETT: Surely the minister is not going to say that. The present measure repeals the provision setting out the personnel of that committee. Let us have no misunderstanding about that.

Mr. GARDINER: I can say this, and say it definitely, to the leader of the opposition, that committee is still going to exist, and will be reappointed under this section.

Mr. BENNETT: But it cannot exist under that authority, because the authority is being repealed. Let us have no misunderstanding about it. I shall read the new section 3, so that it may appear on Hansard.

1. Section 3 of the Prairie Farm Rehabilitation Act, chapter 23 of the statutes of 1935, is repealed and the following substituted therefor:

"3. (1) The governor in council may establish one or more committees to be known as prairie farm rehabilitation committees, the members of which shall hold office during pleasure.

(2) One of the members of each committee shall be appointed chairman thereof by the minister."

That is the whole of the new section 3. The section being repealed is as follows:

3. (1) The governor in council may establish a committee to be known as the prairie farm rehabilitation advisory committee, hereinafter called "the committee," the members of which shall hold office during pleasure.

(2) One of the members of the committee shall be appointed chairman by the governor in council.

(3) The committee shall consist of the following:

(a) one representative of the Manitoba grain growing farmers from the drought and soil drifting areas;

(b) one representative of the Saskatchewan grain growing farmers from the drought and soil drifting areas;

(c) one representative of the Alberta grain growing farmers from the drought and soil drifting areas;

(d) one representative of Saskatchewan live stock farmers from the drought areas;

(e) one representative of Alberta range farmers from the drought areas;

(f) one representative of mortgage companies of Canada;

(g) one representative of the Canadian Bankers' Association;

(h) one representative each from the Canadian Pacific Railway Company and the Canadian National Railways;

(i) two representatives from the dominion Department of Agriculture; and

(j) one representative of the government in each of the provinces of Manitoba, Saskatchewan and Alberta."

This bill repeals all of section 3 in the original act, and the personnel of the committee, in its entirety. Why is that done? The minister says it is proposed to reappoint them. Then, why repeal the statute under which they are already appointed? I cannot understand the position at all.

Mr. GARDINER: I should like to read the section as it stood originally, and then read the new section.

Mr. BENNETT: I have just read it.

Mr. GARDINER: And I should like to interpret it.

(1) The governor in council may establish a committee to be known as the prairie farm rehabilitation advisory committee, hereinafter called "the committee," the members of which shall hold office during pleasure.

That is section 3 of the present act. Section 3 of this bill simply says this:

(1) The governor in council may establish one or more committees to be known as prairie farm rehabilitation committees, the members of which shall hold office during pleasure.

The only difference between the two clauses is that the same committee shall continue to advise, but we may name other committees for similar purposes in connection with similar matters in the areas where they are working. We are suggesting that we should not be compelled to maintain at all times the personnel of the committee as now provided for in the act. But I repeat that there is no present intention of changing that committee.

Mr. BENNETT: But they are gone the minute this bill is assented to.

Mr. GARDINER: Under the old section they could be done away with at pleasure; under that section it was not necessary to maintain them.

Mr. BENNETT: No one is suggesting it was. The minister read three lines of section 3 and he did not read subsection 2 and 3, which I have just read and which are the operative sections with respect to this matter. He now says that committee can be removed at pleasure; of course that is true, but they are now being removed by statute, wiped out by statute. I want to know why and I think I have a perfect right to know.

Mr. GARDINER: I really do not think it makes a great deal of difference. The old section 3 says that we may wipe them out at pleasure, and section 3 of this bill says that we may wipe them out at pleasure. I am not saying that it is the intention to wipe them out, but the power is there under both sections.

Mr. BENNETT: They are wiped out now.

Mr. STEWART: I think the minister will agree that any committee of this kind should be thoroughly representative of every interest affected in this important and large area. Undoubtedly that was the plan and the purpose of those who drafted section 3 in the act as read. The minister says that the members of that committee may be dismissed at pleasure, but I understand that means the particular individuals shall hold office during pleasure. Under that section 3 you would still have to maintain a committee based upon the lines set out in the section. It seems to me that section was well drawn, and drawn for the purpose of making the committee thoroughly representative. The principle of the old section has been departed from and there is no underlying purpose in the new section. Any person may be appointed. It seems to me that the minister is weakening the act; he is taking a step calculated to make it less effective than it should be, and he has not given any reason why he is departing from the principle I have stated.

Mr. STIRLING: Does this not mean that the minister desires power to constitute more than one committee and he does not want his hands tied as to who shall comprise those committees? Does he not consider that the membership set forth in the original act would make a good committee for the purposes of the act? If he intends to retain them, why not continue to set out the personnel of the committee?

Mr. ROSS (Moose Jaw): Could you have four committees all the same?

Mr. BENNETT: The fact is that the committee described in the act is not accidental. The committee provided for in the original act is one that came into being after much consultation with many people. It was not an accidental act of the government. It was the most representative committee we could possibly secure. It embraced representatives of every institution and organization concerned in the problems to which reference was made this afternoon.

[Mr. Bennett.]

Whether or not we like it, the bill now being considered by us wipes out that committee. It is no good to say that the committee will be continued, that it will be reappointed; there is no guiding principle as to who it shall be and as to how it shall come into being. The committee is to be wiped out and the minister will then be in a position to appoint a committee composed of as many people or as few as he likes personally. The minister will have complete control over that committee.

The whole principle of the act was, if possible, to get this matter out of politics. It will be observed that the committee was representative of all classes and interests and organizations concerned in this matter in the three prairie provinces. That precluded the possibility of its being political. The only manner in which politics may be said to have entered into the appointment of that committee was in connection with the appointment of the chairman. The minister still has power to appoint a chairman of each committee, but he has repealed the old section in its entirety. The original section set out a list of the organizations from which the selection should be made, but that section disappears. It is idle for the minister to say—I do not think he is really serious—that the committee continues because the minute this bill is assented to, that minute the advisory committee disappears. All the negotiations and discussions and efforts which were made to try to arrive at some basic principle for the appointment of the committee are wiped out. There is no longer provision that the committee shall consist of representatives of the various interested parties and organizations; the appointment of the committees provided for by this bill is to be entirely at the discretion of the minister. In other words, the appointment becomes political, using the word "political" in its proper sense. It is appointment by governor in council without limitation as to who shall be members of the committee.

The limitation which appeared in the old act was not accidental. It took a great deal of time and effort to get that section in the shape in which it is. Mark you, the committee was to be only an advisory committee. There was no suggestion the other day that it was to be wiped out, and I was curious to see what would be suggested about it. That was not stated even this afternoon by the minister. I can readily understand a desire to set up local committees. I said the other day that while that might mitigate to some extent against the national nature of the effort,

nevertheless I was prepared to concede it. But the national committee is being wiped out; the personnel is being wiped out; the sources from which the new committee is to be selected are no longer indicated in the statute. In other words, they may be members of political organizations instead of members of the various mortgage associations, railway companies and others interested in this matter.

I submit that we should not make this most retrograde step. At a time when we should be concerned about the national interest, we are vesting this matter with purely political considerations. Such a step was not contemplated when this statute was introduced, because section 3 contained a list of the organizations from which the personnel should be drawn. The list was as comprehensive as one could possibly get. It was to include a representative of the Canadian Bankers' Association, of the railway companies, of the live stock and farming interests, and of the three western provinces. There were to be two representatives of the Department of Agriculture, but that did not give them a predominating voice in the advisory committee.

The committee was purely advisory. In his statement of a few days ago the minister certainly did not intimate that the government proposed to repeal the provisions of section 3 with respect to personnel. Nevertheless, that is what is happening. If it is the desire to strengthen the purposes for which this rehabilitation effort was made, the principles that governed in the creation of the committee in the first place should not be departed from.

Mr. McIVOR: As one who formerly was a farmer I can see the utility of these small committees. Suppose you want to dig a hole in southern Manitoba or build a dam in southern Saskatchewan; I think it would be a foolish waste of time to call together a big committee when a small local committee could deal with the matter far better.

Mr. BENNETT: No one has even suggested that. The hon. member for Fort William (Mr. McIvor) puts a construction on my words that does great violence to his own intelligence. We have said distinctly we are quite ready and willing that there should be small committees to deal with local matters. The advisory committee was a national committee to deal with large problems affecting expenditures of a national kind to be borne by all the people of Canada. That is the reason the provisions are as they appear in the act. Their insertion is not accidental; they were put in after a tremendous effort to try to secure agreement on the part of those concerned—great interests that have a deep concern in this part of the country, people who have a large amount of money invested there and are concerned also with the larger interests of the welfare of the people—in order that from these voluntary cooperative organizations in the various provinces there should be selected a committee which should destroy any possible chance of the national nature of the effort being made secondary to political considerations.

Mr. GARDINER: Of course, I do not know what the leader of the opposition had in mind when the act was first drafted nor do I know what provisions the Minister of Agriculture of that day had in mind, but if either of them had in mind what the right hon. gentleman is now attributing to me, it would have been very easy under this act to do the very thing he says we want to do by amending it. This act reads:

> The committee shall consist of the following:
> (a) one representative of the Manitoba grain growing farmers from the drought and soil drifting areas.

It does not say that he is to be a member of any farmers' organization. He is selected by the minister and he can be any person at all that the minister sees fit to select from anywhere in Manitoba. Then paragraph (b) reads:

> (b) one representative of the Saskatchewan grain growing farmers from the drought and soil drifting areas.

Again, it does not say that he has to be a member of any grain growers' organization in Saskatchewan; all he has to be is a grain growing farmer in Saskatchewan. Then paragraph (c) reads:

> (c) one representative of the Alberta grain growing farmers from the drought and soil drifting areas;
> (d) one representative of Saskatchewan live stock farmers from the drought areas.

Not a member of a farmers' live stock organization or an officer of such an organization, but any individual at all who raises live stock in the province. Then paragraph (e) reads:

> (e) one representative of Alberta range farmers from the drought areas.

There is even a distinction in the terms used for Alberta as compared with Saskatchewan. In Saskatchewan it is live stock farmers; in Alberta it is range farmers. Any range farmer at all from the drought area may be selected. Then paragraph (f) reads:

> (f) one representative of mortgage companies of Canada.

Again, he is appointed at the will of the minister, and it may be anyone he desires to appoint. It is not necessarily someone chosen by a mortgage association. Then the subsection continues:

(g) one representative of the Canadian Bankers' Association;
(h) one representative each from the Canadian Pacific Railway Company and the Canadian National Railways;
(i) two representatives from the dominion Department of Agriculture; and
(j) one representative of the government in each of the provinces of Manitoba, Saskatchewan and Alberta.

All I wish to say in respect to that is that these men were appointed by the previous government, and we have not changed a single one of them. So, if there were any politics in the matter when the act was set up, we have not seen fit to play any politics by changing any of the men appointed. They are still there. We have been in office now for considerably over a year administering the act, and I do not know why the leader of the opposition should want to attribute to us intentions to do in the future what we have not done in the past.

In relation to what it is desired that committee or any other committee shall do, I attempted this afternoon to outline one of the things we had in mind to do. We have in mind to call representatives of the mortgage companies, not appointed by us, but appointed by them; representatives of the railway companies, not appointed by us, but appointed by them; representatives of the provincial governments, appointed by themselves; representatives of the rural municipalities in the three provinces, appointed by themselves; representatives of the farmers' organizations, live stock organizations and grain growers' organizations, not appointed by the government, but appointed by themselves. We have in mind to call them together in conference this spring just as soon as the information is available that I indicated this afternoon was being compiled in our office at Regina. Then we hope to ask these people to cooperate with us in dealing with certain problems having to do with the resettlement of areas into which some of these organizations assisted in bringing settlers, in the financing of whose activities some other organizations took a part. I venture to say that if we want advice with regard to that particular matter from any outside group, we would not be calling exactly the same persons who might be appointed. But I am not anticipating any difficulty in that direction. I have already discussed our intentions with these organizations, and I know they are prepared to cooperate with us. We have no reason whatsoever for feeling that they think there is going to be any political reason for anything that we are suggesting to them. As a matter of fact, I have always followed the policy; as I think most of us in connection with matters of government have, that the best politics is to deal with this kind of thing in a businesslike way, to call together people who are interested and to discuss the whole matter with them, whether they be Liberals or Tories or whatever they may be, and then, after having discussed it with them, to proceed in a cooperative way to handle the problem before us.

If it is necessary to set up committees that are more or less local in order to carry out the wishes of all these organizations and the wishes of the government, then we desire in this act to have the authority to do that. But we do not know that we would be either strengthening our position or putting these organizations into a position that they would probably like to be in if we are going to call in some other organization which we set up and choose individuals to advise us on what we are going to do when we call them together. Probably there might be reasons for changing the personnel as provided in the original act, and doing other things in connection with the setting up of local committees that are not suggested in the present act at all. The only difference in the powers that are given to "committees" as against "the committee" is contained in the words: "land utilization and land settlement." What is intended to be covered by that is the rearrangement of population in cooperation with railway companies, mortgage companies and others in order to put these people in better relationship to possible water supplies and community pastures.

Mr. BENNETT: Mr. Chairman, in dealing with the points made by the minister, I have to point out that he is now endeavouring to put on the statute a construction entirely at variance with that which he placed upon it when it was first mentioned in the house. At page 637 of Hansard, in moving that the resolution go to committee, he said:

In moving that this resolution go to the committee of the whole I should like to make a brief explanation. Dealing with the matter of committees I may remind the house that in the act passed in 1935 provision was made for the setting up of an advisory committee. The membership of that committee was indicated, not in its personnel but in regard to the organizations which were to be represented on it. We have had certain experiences during

the last two years in connection with the carrying on of the work in the different provinces which indicate that it would be desirable to have authority to appoint more than one advisory committee. This particular committee which is provided for in the act as it stands will not necessarily be done away with.

That was the statement made on the motion to go into committee. I do not think the minister is serious in suggesting that the provision respecting one representative each from the Canadian Pacific Railway Company and the Canadian National Railways would be complied with if the governor in council appointed some persons not connected with either railway. The difficulties of defining with any degree of accuracy the organizations in any of the provinces concerned with farming or ranching so that there would be representatives of those particular industries on the committee would be very great. The reason the word "range" is used in connection with Alberta is that that is the term used with respect to cattle grazing in that province. Would one say that any person other than a representative of the mortgage companies of Canada could represent those institutions? Would one say that other than a member of the Canadian Bankers' Association could represent that organization? I think the interpretation the minister placed upon the matter the other day was the proper and correct one.

As to the case for the appointment of local committees, I repeat I am satisfied that this may be desirable. I said so to the minister the other day. It may serve a most useful purpose, for the reasons given by the minister this afternoon. If he desires to get rid of the advisory committee, possibly he has power under the statute to do so. If he desires to say that he is not going to be bound by this limitation, as he said very properly, the limitation not upon the personnel but with regard to the organizations which will be represented on the committee, I can understand that, but I should like him to say so. The effect of it is that he merely says this advisory committee is to be wiped out. In its place are to be what are known as prairie farm rehabilitation committees and the advisory committee, which might or might not have served a useful purpose, is to perish. Perhaps the minister would give us the names of the members of the advisory committee, because my recollection is that they were appointed as representatives of the various organizations to which the statute refers.

Mr. GARDINER: I have not the list of names before me at the moment, and I would hesitate to try to give them from memory. I quite agree with what the right hon. gentleman has said. I remember the personnel fairly well, and I know that those I remember were not appointed for political reasons.

Mr. BENNETT: But the point is that they were members of these various organizations, the bankers' association, the railways and so on.

Mr. GARDINER: There were representatives of the railways, the mortgage companies and so on, and some of the other members may belong to stock organizations and grain growing organizations, but they were not appointed as representatives of those organizations.

Mr. COLDWELL: If the minister proposes that these gentlemen shall be appointed by or from various organizations, what would be the objection to rewriting the clause, specifying that where they represent organizations they shall be appointed by and from those organizations? Would that not meet the difficulty which has arisen in this discussion? I may say that I do not question the motives of the minister in making this change, but I feel that if it can be specified that certain people shall represent the grain growers, the stock men, the municipalities and so on, probably it will strengthen confidence in the act, particularly in view of the discussion which has just taken place.

Mr. BENNETT: Before the minister speaks, Mr. Chairman, may I say I did not suggest that the minister's motives were improper. What I said and what I repeat is that a limitation placed upon the exercise of the power by the minister was a fundamental principle of the statute of 1935. No such limitation now appears, and the appointments —and I was very careful to use the word in its proper sense—are what are described as political appointments. That is, the minister, in the exercise of his discretion as Minister of Agriculture, makes the appointments, and without limitation. As originally framed, the act imposed a limitation, and that limitation was imposed in order to prevent the possibility—I shall put it in that way—of purely political considerations governing with respect to the appointments. I did not suggest, and the minister should not say I did, that he had any improper motive. I was merely describing what is meant under our responsible institutions and representative government when I said the appointment was a political appointment without any limitation as to the classes that should be represented in such appointments. If, for instance, the minister maintained the section as it now stands—and

as I must confess I thought, until to-night, he intended to do—and added his provision for additional committees, I would understand his position. If, for instance, he disliked the advisory committee he could dismiss it, since I assume its members hold office during pleasure. He could get rid of them, and then if he saw fit to do so he might select political appointees out of these classes. In that case I could not have a word in the world to say.

I am not putting it in that way at all, nor do I intend to put it in that way. I do say, however, that when parliament initiated this legislation, it was extremely concerned about an endeavour being made to place the effort upon a national plane, and the limitation imposed upon the government, which is upon the minister, as to appointments was contained in the statute. Parliament limited the government in the exercise of power; in other words, parliament said that the personnel of that committee should consist of representatives from the various organizations named. The minister says it does not mean representatives from these organizations, but that is how it was read. Certainly with respect to banks, railways and mortgage companies the appointees have to be representatives of those classes. If the act is open to another construction—I do not think it is—that could be easily remedied.

The point I desire to make beyond all question is that parliament, in setting up an advisory rehabilitation committee as distinct from a local committee, differentiated a national concern from a domestic concern; a matter in which all the taxpayers of the country are interested from one in which those who are upon the soil in the localities in question are interested; those who are concerned with their investments from those who have borrowed, and all this is dealt with in this statute by imposing a limitation upon the appointments. If that limitation is no longer observed, I can only say that I think it will militate against the general success of the effort. There never before was a time when there was such crying need for some unity of thought and action with respect to any matter as there is with respect to this. That advisory committee, serving without pay, was selected with these limitations, so that there could not be any possible chance of any racket with respect to it, or any favouritism. It was provided that the Department of Agriculture should have two members on the committee, though not representing it, in order that the minister and the department might be kept thoroughly informed and in a position to make such representations as might be thought desirable to ensure the national nature of the undertaking.

Mr. GARDINER: Of course, I had nothing to do with the drafting of the original act, but I must say that the leader of the opposition is reading into the act a great deal that does not appear there in terms. Section 3 of the act provides:

> The governor in council may establish a committee to be known as the prairie farm rehabilitation advisory committee, hereinafter called "the committee," the members of which shall hold office during pleasure.

Then it goes on to recite where those men may be chosen from. Then the act continues:

> 4. The committee shall consider and advise the minister as to the best methods to be adopted to secure the rehabilitation of the drought and soil drifting areas in the provinces of Manitoba, Saskatchewan and Alberta and to develop and promote within those areas systems of farm practice, tree culture and water supply that will afford greater economic security and to make such representations thereon to the minister as the committee may deem expedient.
>
> 5. No member of the committee shall receive any payment or emolument for his services, but he shall be repaid all actual reasonable travelling or other expenses in connection with the work of the committee.
>
> 6. The minister may appoint such temporary technical, professional and other officers and employees as he may deem necessary and expedient for carrying out the provisions of this act and the salaries and expenses of such officers shall be fixed by the governor in council.
>
> 7. The governor in council may make such regulations as may be necessary or expedient for the effectual execution and working of this act and the attainment of the intention and objects thereof.
>
> 8. For the purposes of this act the sum of seven hundred and fifty thousand dollars shall be appropriated. . . .
>
> 9. The minister shall annually lay before parliament a report of all proceedings under this act for the preceding fiscal year.

That is the whole act. I want to call the attention of the committee to the fact that there is in that act nothing which says that the committee is ever to be called by anyone. There is not a single word to indicate that the committee has to be called. No provision is made for any one having authority to call it at any time. In other words, if I wanted to do what the leader of the opposition seems to imply might be done, all I should have to do would be simply to sit back and not call this committee at all; it would not become effective and we should have no expense in connection with its operations. I do not know what the intention was in drafting the act in that form in the beginning, but that is the

form of the act. In my opinion, nothing is to be gained by having on the statute books an act that presumes to do something and does not do it. That setting up of the committee has not had any effect on the administration other than that they are called together from time to time and you listen to the discussions and if you care to adopt their suggestions, very well. But you can do that without having it stated in an act. I have dealt with these men for a long time and I know them well enough to realize they are prepared to go anywhere and discuss any matter such as this without expense to the government. It is their business as well as that of the people who are interested in the area, and they are prepared to meet at any time. On previous occasions I have invited some of the very persons who are on this committee to come from eastern Canada to Regina and discuss matters concerning Saskatchewan, and there has never been any bill to the province. They come and discuss these matters because, as I say, it is their own business as well as that of the people of the province, and I see no necessity whatever for drawing conclusions which are not contained at all in the previous act.

On the other hand, as I have said, I do not see any reason for disbanding that committee, though I can conceive of the committee itself having very strong reasons for asking that I should disband it and appoint other committees, and the main reason is that these are the very people—the last three or four organizations mentioned; that is to say, the mortgage companies, the Canadian Pacific Railway Company and the Canadian National Railways as well as the bankers' association—to whom we are going to go and ask to have certain things done in connection with rehabilitation. I venture to say that they, in fairness to themselves and everyone else, would be the first to suggest that there should be some other form of advisory committee, and if they so suggest I want to be in the position of being able to say that I am not compelled by the act to keep a certain type of committee set up. There is no intention whatever of using the committee for the purposes that seem to be in the mind of the leader of the opposition.

Mr. BENNETT: I do not see how the minister could seriously make the statement he has just made. He suggests that the act does not provide for calling the committee and that, therefore, it need not be called. But this amending bill does not provide for calling the committees.

Mr. GARDINER: We left the act as it was.

Mr. BENNETT: The minister leaves the act as it was; therefore, if it is good now it was good then. I need hardly say, however, that the purpose of framing the act as it was framed was to leave the widest possible discretion and power without limitation, because to endeavour in a statute to state what the limitation should be would be to defeat the very object for which the statute was framed, and the provision with respect to regulations that might be made would be ample if it were necessary to select that very committee in a locality to deal with a purely local matter.

The minister suggests that while the statute provides for the governor in council naming a chairman, it does not provide for the calling of the committee, although it provides for its appointment. Of course, there are certain legal implications that are inherent in a bill of this kind, and it is assumed that the persons thus named will discharge the duties which they are appointed to undertake. And then the chairman is appointed under the statute. The minister says that that committee is being disbanded. That is not what is happening. The committee is being decapitated, it is being put out of business; it no longer has any continuance because the statute that provided for its appointment is being repealed. It is not a question of the disbandment of the committee; it is a question of the dismissal of it by statute. There need be no doubt about that, and I do not think any good reason has been given for it.

The minister also referred to the fact that the representatives of the mortgage companies, the two railways and the bankers' association, making four in all, would be appointed. As, I believe, there are ten other members of the committee, they are placed on the committee for the purpose of enabling their views to be thoroughly canvassed by the other members of the advisory committee in order that the advice given the minister may correspond with what is enacted in the section. But it will be observed that the only change the government has made in the act of 1935, after the criticisms made by the minister as to the looseness with which it is drawn, is to add a section providing for the repeal of the limitation imposed with respect to the appointment of the advisory committee and to abolish that committee and provide for the appointment of one or more committees to be known as prairie farm rehabilitation committees, adding the words "land utilization and land settlement" among the purposes in respect of which the committee is to advise.

You cannot have it both ways. You cannot adopt the act as being satisfactory, adding to it only the words I have indicated, and on the other hand say it is entirely unsatisfactory because you need not do anything under it. The whole purpose is to do something under it, and something was done under it. This leads me to ask this further question: Has there been any termination of the services of any of those named under the act to be appointed by the minister? It obviously was intended, not that the committee should make appointments but that it should give advice, and I ask now, whether, by action under the provisions of the statute, there have been, since this government came into office, any dismissals of those who were employed under the act.

Mr. GARDINER: Since the government came into office, the offices have been moved from Swift Current to Regina. The main reason for that is that in our opinion it is advisable to have the records at a more central point, where many records were gathered in any case in connection with the carrying on of provincial matters. The same man is in charge of the engineering staff now who was then in charge. During the last winter some of the engineering staff were dropped because the work in the winter months was not considered necessary. Some of the same men were taken on in the spring. Not all, but a considerable proportion of the staff is the same now as before.

Mr. BENNETT: Who is the chairman? I do not remember.

Mr. GARDINER: Mr. Vallance is in charge of the whole activity.

Mr. BENNETT: Mr. Vallance?

Mr. GARDINER: Yes. Immediately under Mr. Vallance is Mr. Russell, who, I believe, was taken from the staff of the old Interior department here and sent out. Mr. Jacobs is under Mr. Russell and he also, I believe, was taken from the same organization and sent out. Four or five of the leading men were with the Interior department before the lands were turned over to the provinces. These men were put in charge of the work and are still in charge.

Mr. BENNETT: Whose place did Mr. Vallance take?

Mr. GARDINER: The direction of the work prior to that time was under Mr. Thomson who was in charge at the experimental farm at Swift Current. We considered Mr. Thomson had sufficient work to do in connection with the operation of the farm; it had always been necessary to have a farm superintendent there; his services are still available.

Mr. BENNETT: What salary is paid to Mr. Vallance?

Mr. GARDINER: The salary is $4,000.

Mr. LEADER: I do not rise to discuss the legal point at issue, but I wish to point out to the minister what I think must be an omission. Section 3 of the act sets up committees, and what I have to say is in regard to their composition. The act states that the committees shall consist of the following:

(a) one representative of the Manitoba grain growing farmers from the drought and soil drifting areas;
(b) one representative of the Saskatchewan grain growing farmers from the drought and soil drifting areas;
(c) one representative of the Alberta grain growing farmers from the drought and soil drifting areas.

The house will notice that the three prairie provinces are all represented as far as the grain growing organizations are concerned. Then we have:

(d) one representative of Saskatchewan live stock farmers from the drought areas;
(e) one representative of Alberta range farmers from the drought areas.

I do not think the omission is intentional, but the live stock growers of Manitoba are not represented.

Mr. BENNETT: That is all wiped out.

Mr. GARDINER: The proposed amendments make it unnecessary to appoint that committee, as has been pointed out by the leader of the opposition. Under the bill as drafted we could add to the representation on that committee or take away from it. It is not our present intention to do so, but as we go along there may be reasons why that committee should be either added to or members taken from it or that we should set up new committees.

Mr. STEWART: Could the minister give the committee a short resumé of the activities of the advisory committee? I am not sure whether any report of the committee has been laid on the table of the house, but it would be interesting to know how far the committee have gone, what they have accomplished, what they have recommended, and whether at the stage they have reached it is not almost fatal to disturb or destroy such a committee before they have completed a scheme and made a report. It seems to me that if they have launched any line of inquiry, until they have made a report they should at least be continued and permitted to finish their work.

Mr. GARDINER: I am not at the moment in a position to say how many times they have met, but it is not very often. Since I have taken over the department I have attended one of their meetings, the one held here in Ottawa. I think they held a meeting prior to that in Regina; I am not sure whether they held any others. I am not familiar with the meetings that may have been held in the fall prior to our coming into office. At the meetings which they held they did consider certain propositions which have been placed before the government to be undertaken under this act; they passed upon them as to feasibility. The greater number of these passed upon have either been completed or are in process of being investigated. I do not think I have anything to say in criticism of the work they have done; I think their work has been satisfactory to all concerned, but some even of the members themselves have suggested that the meetings might be more or less futile. They have no authority; it is very difficult for them to say that this thing should be done and the other should not; they simply meet and carry on discussion for the day, get reports from engineers and others and then advise on the reports they get.

As to the amounts that have been expended, I have under my hand the different projects for the two years the work has been carried on, and I think this indicates the scope of the work. Perhaps it would be sufficient if I read a summary of the larger conservation projects in the three provinces:

Wild Horse dam, province of Alberta, $14,990.
Middle Creek reservoir, Saskatchewan, $12,645.41.
Adams lake project, Saskatchewan, $5,429.55.
Municipality of Edward, Manitoba, $10,214.03.
Municipality of Lajord, Saskatchewan, $11,770.
Valmarie project, $123,332.25.
Eastend irrigation project, $63,080.
Canada Land and Irrigation Co., Alberta, $80,000.
Eastern irrigation project, Alberta, $14,990.
Dam near town of Souris, $4,000.
Crystal City, Manitoba, $2,978.91.
Red Deer gas well, Alberta, $4,378.29.

That is an experimental well put down to discover whether or not gas could be obtained at less than 800 feet, the gas to be used in pumping water for stock in certain areas.

High Creek, to the southwest of the town of Estevan, Saskatchewan, $17,431.08.
Mountain View project, Alberta, $2,500.
Crystal City, further expenditure, $355.30.
Wild Horse dam, Alberta, further expenditure, $3,000.
Valmarie, further expenditure, $1,488.72.

That makes a total expenditure in Alberta of $119,858.29; in Saskatchewan, $235,177.01; in Manitoba, $17,548.24.

Those are the types of project upon which this committee would be consulted. Then, on the general work of the department in connection with rehabilitation, such as the digging of dug-outs, all the committee would do in relation to that would be to advise whether or not it is a proper policy to follow. The work from then on would be conducted under the administration of the office which has been set up by the department. The same thing would be true of small dams and other projects. In connection with re-grassing, the committee would only be asked their advice in the first instance as to whether re-grassing is a good thing to do. Then, an agreement having been reached as to that, the experimental farm branch would go on with the work. That is the nature of the procedure which has been followed.

Mr. STEWART: The minister's report refers more to specific undertakings than to any general comprehensive scheme that would seem to attack the problem along the lines set out in the statute. I should like to know if there are any reports along that line. The minister speaks about the committee considering suggestions made to them—made to them, I assume, by his department. It seems to me that is putting the matter the wrong way about; it is reversing it. The committee was organized, as I understand it, for the purpose of studying the whole problem, all the conditions, and then on its own account making recommendations and developing a plan which over a long period of years was calculated to relieve the unfortunate and distressing conditions to which the minister has referred. I should like to know if there is any report on any action taken by the committee along that line, rather than action dealing with specific projects which may be said to be merely local in their nature and effect, and altogether much less in scale than that contemplated by the act.

Mr. GARDINER: I would say that the minutes of the meetings held and the discussions conducted would indicate that at the earlier meetings of the committee matters of policy such as have been mentioned were discussed. That is, the question was discussed as to whether it would be a good thing to embark upon a program of strip farming. It was agreed that in certain areas that would be a good thing. Then, the question was further discussed as to whether it would be a good thing, in certain areas or sections where there were marginal lands, to start re-grassing, and it was decided that might be a good thing to do. Advice was given that moneys might be

expended for that purpose. Another question considered was whether the planting of trees and the formation of protection belts might be of assistance. One or two areas were selected in which experiments along that line were to be tried out. Then it was decided, as a matter of policy, that it might be a good thing to dig a number of dug-outs, and that was agreed upon. It was thought it would be a good thing to build a number of dams on the ravines which, during the greater part of the year, are dry, but which, in the early weeks of the spring, contain considerable water. And the suggestion was that the water should be conserved for stock during the succeeding months. That has been adopted, and work has been carried on along that line.

Then, discussions arose in a meeting as to whether we should assist certain irrigation organizations already in existence. I imagine that even some of those members of the committee might feel themselves a little out of place in discussing and advising on a policy of that kind, because of their relationship to it. In any case, all those matters were discussed and certain lines of policy were laid down. Once the work had been planned, there was not much more for the committee to do until we had money to embark upon some new line of operation. So far we have not had sufficient to do even all we have been asked to do or all that we might like to do in connection with the policies about which I have been speaking. There are minutes of the meeting showing the decisions on these questions, and favourable decisions were made at that time.

Then, there were projects, such as the building of a dam on the Saskatchewan river, to the northwest of Moose Jaw. This dam would have involved a very heavy expenditure of money, and a further expense would have been involved in connection with pumping the water from the river to the banks. There would have been a further construction of works to carry irrigation to the south and east of the bow of the river. That matter was discussed before the committee. I assume they got their information from exactly the same engineers as would give it to the department or any other body if it were investigating a matter of that kind. The decision was reached that such undertakings were too costly and perhaps would not bring the results expected from them. It was felt that an expenditure of money to that extent would be more or less uneconomical.

Those situations have been discussed before the committee and, as I said a minute ago, we have arrived at the position where, when the members of the committee are next called together, if we are going to follow out the proposals made this afternoon we might have to suggest to them that, since we are going to be dealing with the organizations named in the legislation, probably they are not the people who should be advising as to whether we should proceed. As I said a minute ago, probably some of these concerns would be the first to see that. I do not think we should be limited by any act as to the exact personnel which must be set up in order to deal with any of the problems put before us in the future.

Mr. STEWART: I should like to ask again whether there is available any report of the meetings of the committee, or if such a report is referred to in any report of the department.

Mr. GARDINER: Yes; I have read a complete report of it, and if desired, I can table it.

Mr. BENNETT: But has the report called for by statute been tabled? I could not find it the other day, but possibly it has been.

Mr. GARDINER: It is the report which is to be laid upon the table annually, and which is described in the statute as "A report of all proceedings under this act for the preceding fiscal year." Yes, that has been done.

Mr. BENNETT: As a matter of fact, that is important. So far as I could learn the other day I could not find that it had been tabled. I am not quite certain about this, but I do not think it has been. I was looking for it the other day, but possibly I had not the right title, or I did not get it for some other reason.

However, there is one point I desire to make, and if the minister will give me his attention, perhaps he will realize that I am not endeavouring to embarrass him in the least, but rather am endeavouring to assist him. If he will look at sections 3 and 4 of the new measure, to which reference has been made, he will find that there is no provision for the appointment of the local committees which, I believe, has been the whole basis of our discussion. It provides for the appointment of one or more committees to be known as the prairie farm rehabilitation committees. Then, the duties of the committee, unfortunately, have not been changed so as to admit of subdivision between local and general committees. The point I made when I first rose to speak this afternoon was that the local committee, formed in the municipality,

had these duties assigned to it. If the minister will listen, he will see that this measure does not at all carry into effect what he wants. It says:

> The committees shall consider and advise the minister as to the best methods to be adopted to secure the rehabilitation of the drought and soil drifting areas in the provinces of Manitoba, Saskatchewan and Alberta.

It does not refer to the local area at all, but rather it refers to the whole situation. That is, the new committee shall be a national committee, so far as it deals with drought area. But the minister has in mind another kind of committee altogether. Then, look at the other words:

> . . . to develop and promote within these areas systems of farm practice, tree culture, water supply, land utilization and land settlement that will afford greater economic security and to make such representations thereon to the minister as the committees may deem expedient.

That is not at all what the minister wants. I do not desire to delay the matter, but it is clear that this section is not what he wants. As a matter of fact, when I first mentioned the matter this afternoon I realized that there was this difficulty, and asked the minister about it. I found later that we were at cross purposes. However, after listening to what he has said, it is quite clear that this section is not what he wants. He must have a section which is entirely different and provides for something quite different from the advisory committee; he wants a domestic committee. If he will just look at the language of the section, he will see that this bill does not provide for that at all. It is still a national committee, that is so far as the matters with which it deals are concerned.

I am not saying that the report has not been tabled, but I have not been able to obtain it. The statute provides that the report shall be tabled in the first fifteen days, and it probably has been, but so far I have been unable to get it. After listening to the minister, I have said that I am in accord with his suggestion for the appointment of local committees, but I think he will have to add something to the section. I thought the minister made clear what he had in mind in connection with the local committees, and I said the other day that as long as he retained the national nature of the committee he should have the widest possible discretion in the appointment of smaller committees, some voluntary and some on request, in the different communities, to deal with these problems. But I think he will agree with me that this section does not do that. I listened to the minister's explanation and at first I thought he meant to deal with the matter in the large way of a national committee, but he told the hon. member for Portage la Prairie (Mr. Leader) that he desires to have one national committee, advisory in its character, with other local and domestic committees. That is what I thought he had in mind, but this section does not do it.

I think he will agree with me that if he desires to make this certain in the bill, he will have to add another section which will make it clear that the domestic committees are not to be advisory. I think the provision for local committees is a reasonable thing to ask for, but I suggest that perhaps a better way to do it would be to look into this matter in the light of our discussion and in the meantime move that the committee rise.

I think we should have the report of what has been done. I should like to point out to the minister the details of payments which have been made and which are to be found on page 390 of the statutes of 1936. Under the Prairie Farm Rehabilitation Act is an item of $214,000 for experimental projects and large scale demonstrations therefrom. There is another item of $234,000 for water development projects. Under western conservation works we find the following items:

Southern Alberta storage dam, Wild Horse, Alberta, $6,953.63.

Middle Creek reservoir, Govenlock, Saskatchewan, $11,368.69.

Dam construction at Adams lake, Govenlock, Saskatchewan, $7,500.

Construction of dams in the municipality of Edwards, Manitoba, $6,000.

Waskana reclamation projects, municipality of Lajord, Saskatchewan, $7,300.

Valmarie irrigation project, Valmarie, Saskatchewan, $121,187.28.

Eastend irrigation project, Eastend, Saskatchewan, $63,080.

Payment to the Canada Land and Irrigation Company, Vauxhall, Alberta, $65,000.

I desire to make some observations with respect to the payment to the Canada Land and Irrigation Company. These payments were made in order to make useful work that had already been done in connection with water supply. I received communications from farmers to the effect that they were being called upon to pay too much money for the use of water under this scheme. I think the minister knows enough about this irrigation project not to want to talk very much about it. This is one of the black spots in the history of this country. It commenced away back in the days of Sifton and it has been a continual drain upon our resources. During the war we put up a large sum of money in the days when Doctor Roche was Minister of the Interior. This has gone on

and on, and every government has been called upon to make some payment in connection with lake McGregor and the distribution of water over the areas tributary to this system.

Under these circumstances I feel quite certain the minister will see that the bill does not meet his point at all. If this report has not been tabled, I suggest that it be tabled to-morrow. There are two or three matters in the province in which I lived about which I am very anxious. On one of them the minister spent $80,000 last year, and it may be necessary to make some inquiry with respect to this as the bill progresses.

Mr. GARDINER: I have no objection to having the committee rise in order that we may give this matter further consideration, but I would just like to say to the leader of the opposition that this is not my suggestion. This suggestion came from those who have been administering this act.

Mr. BENNETT: About the local committees?

Mr. GARDINER: Officials of the department; not from Mr. Vallance, who is handling the work on the ground, but from others in the department who are in charge. I wish the section to be wide enough so that I can continue this committee if I so desire.

Mr. BENNETT: As the section stands now, the committee would have to be reappointed.

Mr. GARDINER: I can reappoint it; that is a very simple matter. I raised the very question brought up by the leader of the opposition. The latter part of the section reads:

> —and to develop and promote within these areas systems of farm practice, tree culture, water supply, land utilization and land settlement that will afford greater economic security and to make such representations thereon to the minister as the committees may deem expedient.

Mr. BENNETT: The minister very frankly says that that is the national nature of the plan as distinguished from what would be considered the local nature.

Mr. GARDINER: The man who drafted the bill tells me that that part of the section is intended to deal with the very matters the committee has been considering. Under the old section they submitted to the committee questions like these small dams as a matter of general policy.

Mr. BENNETT: They did not have to submit them at all; the committee was advisory.

[Mr. Bennett.]

Mr. GARDINER: They have been using it for that purpose.

Mr. BENNETT: I think if the minister takes the matter up with the law officers in the light of the discussion to be found on Hansard, they will have no difficulty in realizing that the section does not express what the minister desires it to express. In the evident intention of taking a short cut, they have cut out the very committee which the minister desires to create, that is, the local committee. On the other hand, they have conferred upon the advisory committee powers that are national in their nature.

Mr. GARDINER: I suggest that the section be allowed to stand.

Section stands.

On section 3—Committees.

Mr. BENNETT: I think possibly the minister will want to redraft this section.

Mr. GARDINER: It had better stand.

Section stands.

On section 4—Appropriations.

Mr. BENNETT: I wonder whether the minister thinks it necessary to have that. All it says is that the governor in council may authorize the expenditure. What is called the release of an appropriation takes place as a matter of course after parliament appropriates the money. The Minister of Finance submits to council a recommendation for release of the estimate, and the governor in council may release the estimate of such sums as have been appropriated. I think the minister desires to say there that there may be expended, under whatever direction he may think desirable, under the direction of the minister or of the governor in council, such sums as may be appropriated for said purposes. But to say that the governor in council may authorize the expenditure—well, the very minute we give approval to the estimate we have authorized the expenditure. The minister knows that quite as well as I.

Mr. GARDINER: I am well aware of that, but we thought it wise to express the idea of continuity. I did not want a limitation on the amount of money which was going to be available. I thought that might well be left to the house and, in turn, to the government after the house had voted the appropriations. The government still has control over the expenditure.

Mr. BENNETT: Oh, yes, there is no doubt about that.

Mr. GARDINER: It was dealing with the idea that there is some continuity about this, that it is not just a thing which can be done this year and dropped next year.

Mr. STEWART: It seems to me the idea of continuity is better preserved in the old section 8 than in this new section. Provision is made there for the work going on for three years, but in this new section no provision is made unless it is appropriated by parliament in subsequent years.

Mr. GARDINER: The section will not do any harm.

Mr. BENNETT: I do not want to seem to be factious, but I am sure the minister would be the last man in the world to put that section in a statute. It says:

> The governor in council may authorize the expenditure in each of the fiscal years from and including 1937-38, up to and including the fiscal year 1939-40 for the purposes of this act, such sum or sums as may be appropriated by parliament in each of the said fiscal years respectively, for said purposes.

I am sure the minister will see that that does not mean anything. He can easily devise words which will be a combination of the old section and the new to preserve that sense of continuity which I think probably is desirable, because it is notice to everyone that it is a continuing operation, not just a one year campaign but going on not merely for one, two or three years, but, as the minister said this afternoon, probably for many years. What he wants to say is that this is going to last longer than one year, and an appropriation for one year is an indication that there are going to be appropriations for other years. I do not believe he will ask us to accept this section as it stands. It would be a reflection on the parliament of Canada to put it in that way. The minister has had much experience and knows that once parliament has voted the money, it is available for the purposes of the appropriation.

Mr. DUNNING: The right hon. member must take into account that authorizing an expenditure by the governor in council may mean the authorization of a particular expenditure under an appropriation. Where you have many small sums expended, such as has been the experience under this act, the release on the recommendation of the Minister of Finance is of the whole sum voted, but that does not relieve the particular minister concerned from recommending to council expenditures for the purpose of dealing with small projects within the gross total.

Mr. BENNETT: Quite so.

Mr. DUNNING: That is really the thought which is in mind.

Mr. BENNETT: Then it is easily provided for. You could say that the governor in council may from time to time authorize the expediture, in each of the fiscal years mentioned, of sums that do not exceed the sums appropriated.

Mr. DUNNING: That is the intention.

Mr. BENNETT: I see the point.

Section stands.

Mr. BENNETT: Before the committee rises, would the minister make sure about that report?

Mr. GARDINER: Yes.

Progress reported.

SUPPLY

The house in committee of supply, Mr. Sanderson in the chair.

DEPARTMENT OF LABOUR

Civil government—
Salaries, $212,685.75.
Contingencies, $30,000.

Mr. MARSHALL: What is the reason for the increase in this item?

Hon. NORMAN McL. ROGERS (Minister of Labour): As to salaries, there is a decrease as compared with last year due to the abolition, in accordance with P.C. 144/1268 of May 28, 1936, of the position of editor, grade 1, which had not been filled with permanent appointment prior to June 15, 1936. As to contingencies, the increase of $4,000 over the previous year has been found necessary owing to an increase in the activities of the department with a resultant added expense for travelling, long distance telephone, telegraphs and sundries.

Mr. STEWART: What is the position that was not filled?

Mr. ROGERS: The position of editor, grade 1, on the Labour Gazette.

Mr. STEWART: Was the vacancy created by death or resignation?

Mr. ROGERS: The position was made vacant by retirement.

Mr. BENNETT: How did he come to retire?

Mr. ROGERS: He retired due to age.

Mr. BENNETT: He was superannuated, I suppose?

Mr. ROGERS: Yes.

Mr. MacNICOL: What do the industrial research clerks do?

Mr. ROGERS: They carry out special investigations with the librarian of the department, particularly in connection with the matter which is prepared for publication in the Labour Gazette.

Mr. MacNICOL: I have been looking through the details of the vote on page 75 of the estimates. I assume these are permanent members of the staff in the head office at Ottawa. If so, what officers would be looking after the provision of work for the young unemployed or in directing any works planned by the department to provide employment? What officer of this staff would be assisting in the direction of such work as is performed in the United States by the C.C.C. camps in providing work for young men?

Mr. ROGERS: The special supplementary estimates will contain the votes for unemployment and relief. My hon. friend will recall that last year the estimates were divided in that way. We are now dealing with the ordinary expenditures of the Department of Labour, not with the unemployment relief branch. When the special supplementaries are before the committee, I shall be very glad indeed to deal with that question. There is in the list referred to by my hon. friend no official who deals directly with unemployment and relief as apart from the ordinary administration of the department under the deputy minister. Officials who deal directly with unemployment and relief are in a temporary branch of the department for which provision is made in the special supplementary estimates.

Mr. MacNICOL: Then what does the director of employment service do?

Mr. ROGERS: The director of employment service, as I think I explained when the estimates of the department were before the committee on Monday, has general supervision over the employment service of Canada, but that employment service consists of employment offices which are maintained by the provinces on a basis of financial assistance by the dominion under the Employment Offices Coordination Act. That is to say, we contribute $150,000 per year to the maintenance of an employment service. I believe I have already given the figures with regard to that service.

Mr. ELLIOTT (Kindersley): There seems to be a reduction of one typist, grade 1, $840. Is that an abolished position?

[Mr. Rogers..]

Mr. ROGERS: This case is similar to that of the position of editor, grade 1. The position of typist, grade 1, was not filled on June 15, 1936, and was abolished in accordance with the provisions of the order in council dated May 26, 1936.

Mr. BENNETT: Then the position has been abolished?

Mr. ROGERS: Yes.

Mr. BENNETT: Might I ask the minister whether this would be the appropriate time to discuss the question of the annuities branch, or whether it would be better to take up that matter later.

Mr. ROGERS: There is a special vote for the annuities branch, and I think I would prefer to have the discussion come up under that vote.

Mr. BENNETT: Very well. There is one question that I might ask, because the matter was under advisement a couple of years ago, in happier days. It is as to whether the translator's office cannot be brought within the bureau for translations. It will be remembered that we endeavoured to effect a substantial saving, and the other evening the Secretary of State (Mr. Rinfret) spoke with great satisfaction as to the results which had been obtained, notwithstanding the attitude which we encountered when we took that action. I should like to know whether the Department of Labour could not bring its translations under that bureau.

Mr. ROGERS: The question of whether publications of the Department of Labour should be brought under the translations bureau has been under discussion recently. We have taken the position in the department that while we would be very glad indeed to work out a common arrangement with the translations bureau, we would prefer not to be brought directly under it. The Department of Labour differs a little from other departments in that it has its monthly publication, the Labour Gazette. Certain of the details connected with that publication have rendered it advisable, until the present at all events, that we should not bring our publications wholly within the translations bureau.

Mr. BENNETT: Some years ago I regarded that answer as being inadequate, and I certainly think the necessary change would have been made if an accident had not occurred by which the hon. gentleman is where he is this evening. I can readily understand the officials always being opposed to the change. The minister will be advised that it is a very undesirable thing to do. There

never was in any department a curtailment of employment as to which any person in authority did not advise the minister with upraised hands that to think of doing it would wreck the whole institution. The whole idea is to add to the number; never decrease it. It increases your importance if you are able to maintain a larger number than previously was the case. I know all about that argument; we had to meet it, and we had enough courage to meet it in a way which ultimately brought encomiums from the Secretary of State the other evening.

I suggest that the minister exercise some of that tyrannical power which is vested in a minister, according to reports I have read in the press from time to time, and see to it that, notwithstanding the advice which may be tendered to him, his good sense is allowed to operate. He knows very well there is $4,800 that need not be spent at all, $3,000 in the one instance and $1,800 in the other. I know that from personal investigation, but I also know there will not be one official of his department who will not advise him, "Oh, no, let us keep on more people for this job. It adds to our importance." The minister will remember what a very distinguished mother is said to have told her son. May I speak as an old man to a younger man, and suggest that my hon. friend be a real minister for five minutes and end those two positions. Just five minutes is all that is necessary.

My other point is with reference to statistics. The bureau of statistics claims it has all the information that may be necessary for the purpose of supplying a long-suffering and tolerant public with information, and the Department of Labour says, "We could not get along unless we had our machines and statisticians, because we are a little different from anybody else." There never was a department that you tried to cut down that was not different from any other. They are all different; they always will be. Is it necessary to have statisticians as distinct from the statistical department?

Mr. ROGERS: My experience and observation thus far lead me to the conclusion that it is desirable to have a statistician in the Department of Labour. I would say this, and feel quite sure the leader of the opposition will agree. The staff of the Department of Labour of Canada, as one sees it enumerated in the estimates, is astonishingly small when one considers the nature of the tasks that are being imposed upon departments of labour in our own and other countries. Certainly I have no desire to retain the services of any members of the department who are not performing their work as it ought to be done.

Mr. BENNETT: I did not say that: I was not suggesting that.

Mr. ROGERS: I wholly agree that we should make every effort to avoid duplication. When I came to the Department of Labour I was struck with the fact that there was a bureau of statistics and that some of the departments of the government also had their own statisticians. The publication of the Labour Gazette requires a continuous and concentrated attention to statistical data, which convinces me of the utility of such an official at the present time. As to the translations matter, I am not prepared to say that there might not be some economy in bringing the publications of the department under the translations bureau. As I said a few moments ago, the matter has been under advisement quite recently. I can assure the leader of the opposition that I shall be glad to reconsider it and to apply what common sense I have to the reasons that are given for retaining the publications within the department.

Mr. BENNETT: I am sure that if the hon. gentleman applies the common sense which he possesses, there will be two positions fewer in the department. There is one point I have not been able to satisfy myself upon. I did not have time in my day to press the matter as I should have liked, but it seems to me that the payment to the actuaries, having regard to the tremendous implications that arise from their position with respect to annuities, is not at all in keeping with the payment of $1,800 to a confidential messenger, the actuarial assistant receiving $1,920. It was one of those things that I could not get around to.

Mr. ROGERS: The confidential messenger's salary is $1,320.

Mr. BENNETT: I meant to say $1,320. The assistant actuary certainly has pretty large possibilities for increasing the charges on the public of our annuities branch, because upon his determination more or less rest rates and the settlement of many problems connected with annuities. The insurance branch does a large amount of business in connection with this matter and we all know what the report is. We are, of course, losing money in the annuities branch. I shall not discuss that to-night, but it is a matter we intended to deal with, and when the subject comes up the minister will have fortified himself with sufficient information to satisfy my not unreasonable thirst for knowledge in that regard.

Mr. ROGERS: The rates were increased.

Mr. BENNETT: I know that.

Mr. MacNICOL: Will the minister tell me how the work performed by the senior fair wage investigator and mediator fits in with item 175 passed some days ago?

Mr. ROGERS: The salaries are provided under the present vote. The conciliation and labour vote covered the expenses in connection with the performance of the conciliation services. The salary of the officer is provided under the present vote.

Mr. MacNICOL: Is the work of the fair wage officer the same as that taken care of under item 175?

Mr. ROGERS: The title is chief conciliation and fair wage officer.

Mr. LAWSON: Coming back to the salary of the actuarial assistant, I see that it is the same as it was last year. Does that mean that he is at the maximum of his classification under the civil service? Apparently there is no statutory increase in that case.

Mr. ROGERS: The maximum for the actuarial assistant is $1,920, but I would point out, particularly with reference to what was said a moment ago by the leader of the opposition, that there is also provision for two senior actuarial assistants at a higher rate of salary.

Mr. LAWSON: Are they listed now?

Mr. ROGERS: They are listed just above —two senior actuarial assistants.

Mr. HEAPS: What are the qualifications of these actuarial assistants?

Mr. ROGERS: The qualifications are laid down by the civil service commission. I can only say that they do require specialized knowledge of higher mathematics.

Mr. HEAPS: Must they have passed the Chartered Accountant examination?

Mr. ROGERS: That is not a requirement.

Mr. ELLIOTT (Kindersley): What are the duties of a confidential messenger?

Mr. ROGERS: I have not had very close contact with the confidential messenger mentioned in this list, but he does perform the duties of messenger between different branches, and he also attends to filing. I believe one finds confidential messengers in most departments of the government.

Mr. MacNEIL: To what extent does this vote provide for salaries of those officers of the department who are engaged in the work of the employment service of Canada?

[Mr. Rogers..]

Mr. ROGERS: The salaries of headquarters' office are included under the present vote.

Mr. MacNEIL: What is the total personnel of those assigned by the department to the employment service?

Mr. ROGERS: There are twenty-seven permanent and two temporary employees in that branch, and the director.

Mr. MacNEIL: The other evening, when this matter was under discussion, I directed to the minister some inquiries with reference to the Employment Service of Canada. I find that in consequence of what I said because of representations made to me, and because of the publicity that ensued, an unfortunate impression has been created that I intended to charge the officers of the department with laxity in the discharge of their duties. That was not my intention. I had hoped that it might be possible to extend the facilities of the Employment Service of Canada, but I had no reason to suggest at any time that the officers of the department condoned any practice which might expose young women seeking employment to unscrupulous exploitation. I wish to make that explanation in all fairness to the officers of the employment service.

Mr. ROGERS: I appreciate very much the statement made by my hon. friend. I did not understand him to make any specific charge against any officer of the employment service when he spoke some days ago. I believe I did assure him at that time that I felt certain that the officials of the various employment bureaux appointed as they are by the provincial governments, would be just as anxious as any officials of the headquarters' staff to prevent abuses of the kind he described.

Mr. HEAPS: The other evening the minister intimated to the committee that the department would probably appoint four additional men to study and become efficient in the work of conciliation. Is any provision being made in the estimates to cover work of that sort?

Mr. ROGERS: The authorization by the civil service commission did not go through in time for inclusion in the present estimates. The necessary provision will have to be made in the supplementary estimates.

Mr. HEAPS: In that case is it the intention that members of the existing staff retire in the coming year?

Mr. ROGERS: I believe I informed the committee some days ago that two members of the conciliation service are approaching the retirement age. Provision has been made for extending the employment of one of the conciliation officers. I feel that if we can retain their services for the time being, it would be an advantage to do so, particularly as we wish the junior conciliation officers to have the benefit of their experience.

Mr. HEAPS: I observe that in many provinces men are employed by the various departments of labour to perform a duty similar to that performed by those of the federal department. Is an effort made to have officials of the federal and provincial departments work in conjunction, or do they work separately? It seems to me there is bound to be a certain amount of overlapping; I have in mind what happened in Welland in the last few days. This overlapping is bound to lead to friction. Does the federal department work in close harmony with the provincial bureaux of labour or the ministers in the various provinces?

Mr. ROGERS: There has been the utmost cooperation in the conciliation work which is done by the federal Department of Labour and that done by the provincial departments. Not all provincial departments of labour have conciliation officers. Quebec and Ontario at any rate have officers who specialize in conciliation work. At Welland representatives of the federal department and the Ontario department were on the scene of the dispute at the same time and worked with the utmost harmony. There is a possibility of duplication, and possibly of conflict, but normally the federal department sends its conciliation officers when the parties request the services of such an officer. The federal department has had perhaps a wider experience in this type of work, and generally speaking it does not happen that you have a conciliation officer of the federal department working with one from a provincial department in seeking to bring about settlement of a dispute.

Mr. MacNICOL: Does the work of the chief conciliation officer coordinate with the work provided for under vote 174?

Mr. ROGERS: Item 174, which passed the committee on Monday, covers the publication of the Labour Gazette, and travelling and sundry expenses connected with the administration of the Conciliation and Labour Act.

Mr. MacNICOL: And the salary of this officer?

Mr. ROGERS: The salary of the officer is covered under the present vote.

Mr. MacNICOL: Under contingencies, what is embraced in the items: clerical and other assistance, $9,972, printing and stationery, $9,000 and sundries, $11,028?

Mr. ROGERS: The item of salaries in the contingency vote covers the office staff of the minister's department.

Mr. MacNICOL: Is there a list?

Mr. ROGERS: I have a list before me. Does my hon. friend wish the names and the salaries paid?

Mr. MacNICOL: I have been trying to find it in the auditor general's report. If it is salaries, why is it not enumerated just as they are above under some one of the various branches?

Mr. ROGERS: I believe this is customary. The salaries listed under civil government are salaries of permanent officers of the department. The staff of the minister's office is not permanent; it is on a temporary status.

Mr. MacNICOL: The salaries under contingencies are not permanent?

Mr. ROGERS: They are temporary employees in the minister's office.

Mr. STEWART: Under the organization which has been built up by the National Employment Commission, have not some of the duties which were formerly discharged by the regular staff of the department been taken over by that organization? If that be so, should there not be some decrease in the staff? Then I notice one official in particular, an accountant. I know that in other departments the comptroller reorganized and took over the accounting very largely under his staff. Does that apply with respect to that particular official?

Mr. ROGERS: The accountant referred to by my hon. friend is a permanent officer of the department, has been there for many years, and is in charge of the personnel. As far as the general accounting service is concerned, the Department of Labour has cooperated with the comptroller of the treasury in the effort to concentrate the accounting under one supervising head.

As to whether certain duties formerly discharged by members of the department have not now been transferred to the National Employment Commission, I would remind the hon. member that we are dealing, under the civil government vote, with the permanent staff of the Department of Labour, a staff which was not expanded to any extent during

the years of the depression. There has been a certain transfer of responsibility from the unemployment relief branch of the Department of Labour, which branch is on a purely temporary basis. That staff has been decreased to some extent in consequence.

Mr. STEWART: Is the accountant to whom the minister refers on the staff of the comptroller or on the staff of the department? In the other departments I understand the accountants are on the staff of the comptroller of the treasury.

Mr. ROGERS: I am informed that the accountant referred to is Miss Dewan. She is a link as it were with the civil service commission and is in charge of personnel. I gather that she does not do very much accounting work.

Mr. MacNICOL: The increase in the sundries item under contingencies seems very large in comparison with the whole item. The vote before us is for $11,028, whereas a year ago it was $7,055. Would the minister let us know what the $11,028 covers, or what it is proposed to cover?

Mr. ROGERS: There is an increase of about $4,000 over last year. As I explained a few minutes ago, that is accounted for by the increased activities of the department, with added expenditures for travelling, long distance telephone service, telegrams, and sundries. It is a very small increase, but it has been put in to meet what we believe will be an increase during the coming year under the heads mentioned.

Mr. McNICOL: Are these expenditures under unemployment relief works?

Mr. ROGERS: It is the work of the department, generally, and does not cover the unemployment relief branch at all. That is a temporary branch of the department, which is not included in the estimate before the committee.

Mr. MacNICOL: The item has been increased by fifty per cent. There must be an increase of fifty per cent in the work to be done under that particular item.

Mr. ROGERS: Perhaps I should give the hon. member a statement of the sundries during the current year. They are:

Travelling expenses, $1,120.04.
Telephone and telegrams, $2,454.53.
Printing and stationery, $2,872.15.
Subscriptions to newspapers and periodicals, $235.42.
Other sundries, $1,843.46.

The last item includes cartage, express, freight and advertising.

[Mr. Rogers.]

Mr. BROOKS: Would the minister state the difference between the western representative and the general eastern representative? Would he state their duties, and why one is called the western representative and the term "general" applied to the eastern representative?

Mr. ROGERS: Mr. Harrison is the western representative. He is also the conciliation and fair wage officer for that district. Mr. Quirk is the eastern representative. He occupied a similar position for Quebec and the maritime provinces. That is to say, he is available to deal with fair wage complaints, or to serve as a conciliation officer in the entire area.

Mr. BROOKS: That is why he is called "general," is it?

Mr. ROGERS: Yes.

Mr. LAWSON: Under the contingency item of "clerical and other assistance," to which the hon. member for Davenport referred I should like to ask one or two questions. I did not follow up the point because I thought $9,972 would include the private secretary. However, I see the private secretary is in a separate estimate, and I should like the minister to be good enough to give details of the item amounting to $9,972. I do not want the names, but what positions are involved?

Mr. ROGERS: Secretary to the executive in the minister's office; two clerks, grade four; a stenographer, grade two, in the minister's office, a stenographer, grade three in the minister's office, a confidential messenger in the minister's office; one stenographer, grade two. May I add that in the Department of Labour of necessity in these times there is a great volume of correspondence, and for that reason it has been necessary to increase the stenographic assistance in the office.

Mr. LAWSON: Does the secretary to the executive mean the young lady who does the work dictated by the private secretary to the minister?

Mr. ROGERS: Yes; that is correct.

Item agreed to.

International labour conference, $15,000.

Mr. MacINNIS: Was Canada represented at the last meeting of the international labour conference in October of this year?

Mr. ROGERS: Canada was represented. I take it the hon. member refers to the special conference dealing with maritime questions.

Mr. MacINNIS: Yes.

Mr. ROGERS: Yes; Canada was represented. The government representatives were Doctor Riddell, permanent advisory officer at Geneva, and during its earlier sessions I, too, attended. The representation is a tripartite one. At the conference there was a representative of the employers interested, and also of the employees' organization. Mr. MacCallum represented the employers and Mr. MacDonald represented the employees.

Mr. MARSHALL: How much of the last vote was actually used?

Mr. ROGERS: Last year's vote was exceeded by $600 owing largely to the fact that in addition to the usual international labour conference held in June, there was the special conference on maritime questions held in October.

Mr. MARSHALL: Does that mean an expenditure of $15,600?

Mr. ROGERS: Yes; that is correct.

Mr. MacINNIS: I believe a number of important conventions were adopted at the special maritime conference. I wonder whether the minister could tell the committee how the Canadian representatives voted on these conventions?

Mr. ROGERS: I have not before me the report giving the exact information the hon. member requires. I can say however, that the Canadian delegates—and I take it the hon. member refers to the governmental delegates—supported most of the conventions before the conference, but I would hesitate to make a statement concerning each convention. It would be of no service to the committee unless the information were exact. I shall be pleased to secure the information later.

Mr. MacINNIS: My next question may be considered as one touching on government policy. However, as I understand it, at present these maritime matters are under the jurisdiction of the federal government, and I do not think there would be any legal obstacles in the way of the dominion's ratification of the conventions. Could the minister inform the committee as to the intention to bring down legislation at this session ratifying these conventions?

Mr. ROGERS: The conventions dealt with by the maritime conference in October last were as follows:

Draft convention concerning the regulation of hours of work on board ship and manning.

Recommendation concerning the regulation of hours of work on board ship and manning.

Draft convention concerning the liability of the ship owner in case of sickness, injury or death of seamen.

Draft convention concerning sickness insurance for seamen.

Recommendation concerning the promotion of seamen's welfare in ports.

Draft convention concerning the minimum requirement of professional capacity for masters and officers on board merchant ship.

I may say that the complete and official text of these various conventions was received only yesterday from the League of Nations. According to practice, these conventions are being brought to the attention of the Department of Justice. They will then be directed to the particular department of government which is chiefly concerned, in this case the Department of Transport.

Item agreed to.

Limitation of Hours of Work Act, Weekly Rest in Industrial Undertakings Act, and the Minimum Wages Act, $10,000.

Mr. LAWSON: I had almost anticipated the minister advising us of the abandonment of this item in view of the recent decisions. Would he be good enough to state for what purposes this vote is now required?

Mr. ROGERS: As my hon. friend will realize, this particular item was included in the estimates before the decisions of the privy council were announced. It is of the same description and amount as the item that was inserted in the estimates last year. At that time we felt that there was some possibility of expenditures being needed in connection with setting up inspectional staffs and possibly for drawing up regulations under these various statutes. I doubt whether we ought to eliminate this item at the present time. I think it might stand in the possible event that it might prove of value to have a conference with the provinces with respect to this legislation.

Mr. LAWSON: What amount was expended last year?

Mr. ROGERS: Some $2,100, entirely in connection with drawing up regulations in anticipation of the possible decisions of the court.

Mr. LAWSON: If only $2,100 was required last year, I would suggest that it is difficult to conceive that the calling of a conference of representatives of the provinces would involve an expenditure of $10,000. I think the minister must have in mind some more definite use than that when he asks that this item be left in the estimates.

Mr. ROGERS: I assure my hon. friend that I have no designs beyond what I have suggested. It is simply there, as I see it, to meet what might be a very remote contingency, that is, the desirability of having a conference

with the provinces in connection with the subject matters of this legislation. As I have stated before, this item was included in the estimates before the decisions of the judicial committee of the privy council were announced. It does seem to me that it might be of some value to have it remain.

Mr. LAWSON: Is this one of those votes that lapses if it is not used for the purpose indicated, or can it be used for some other purpose?

Mr. ROGERS: If it is not used for the purpose indicated, it cannot be used at all.

Mr. McIVOR: Has this item anything to do with the enforcement of the eight hour day for unorganized labour? I know of unorganized workers who do not have an eight hour day or who do not get one day of rest in seven.

Mr. ROGERS: This item was included to provide for the administration of the Limitation of Hours of Work Act, the Weekly Rest in Industrial Undertakings Act and the Minimum Wages Act, assuming that these statutes were upheld by the judicial committee of the privy council. The judicial committee has ruled against their validity, and the item is retained against the contingency of a conference being held with the provinces to consider the subject matter of the legislation.

Mr. MacNICOL: First of all, I want to express my regret for the fact that the legislation passed by the former government has been disallowed by the privy council. I hope the minister will use his most vigorous efforts to continue the line of activity of the last government to do something for labour. The previous government never received the credit they should have received for the honest efforts they made to help workmen throughout the country. They endeavoured to see that there was no violation of the minimum wage law, that the workers should work only for a reasonable week and that the hours of labour per day should be limited. When the legislation proposed by the late government was going through the house, the draft conventions and recommendations of the international labour conferences from 1919 to 1934 were referred to. I believe that at that time the then member for Kenora-Rainy River, who had previously been the Minister of Labour, the Hon. Mr. Heenan, supported the efforts of the government to relieve the disabilities under which workmen are now labouring. Article I of draft convention number 26 reads:

> Each member of the international labour organization which ratifies this convention undertakes to create or maintain machinery whereby minimum rates of wages can be fixed for workers employed in certain of the trades or parts of trades (and in particular in home working trades) in which no arrangements exist for the effective regulation of wages by collective agreement or otherwise and wages are exceptionally low.

It is about time that we had some law in Canada to control the rates as to minimum wages. Where there is no control over wages, we have sweat shop conditions, and there is too much of that in this country. For years the International Labour Union has endeavoured to induce all governments to adopt minimum wage laws. I am one of those who like to support the efforts of this union and the unions associated with it in Canada to ensure better conditions for the working man in the way of better wages and treatment. I am not one of those who condemn industry. My observations have been that industry generally treats the labouring man fairly. There is the odd industrialist who brings censure on industry generally. It was to take care of that odd man who does not treat labour properly that these draft conventions respecting minimum wages, hours of labour and the weekly day of rest were adopted. The minister, I am convinced, has at heart the best interests of the workers of this country, and I sincerely hope that he will achieve something along these lines. We read almost daily of men and women working an outrageous number of hours per week, apparently because the federal government has not sufficient authority, as I am convinced it should have, to enforce its will in this regard in the various provinces.

The time is past when one province or another—and I have no particular province in mind at the moment—should permit conditions to prevail in factories, which conditions another province would not tolerate for one minute. I am convinced the time has come—and I am sorry the privy council did not see it in that way—when this parliament should endeavour to bring about uniform conditions in labour from one end of Canada to the other. Uniform conditions in labour throughout Canada would work against the practice of employers in one province moving their whole plant to another province where labour restrictions are not as severe. I could name offhand a number, and I could easily obtain a list of perhaps fifty factories that in the last few years have moved from the city of Toronto to another province than Ontario, because in Toronto so far as possible industrialists are induced by compulsion, public opinion, and perhaps by the local government, which I believe does endeavour to carry out the majority will of the operators in this regard, to provide decent working conditions.

These firms have moved outside the province of Ontario to where they can operate without the restrictions prevailing in Toronto. I hope the day is not far distant when employers in all the provinces of Canada will have to maintain in their factories more reasonable conditions than obtain in some places to-day.

Something was said the other day about the posting of wages. I am in accord with that. I believe that men working in factories should know what is being paid for the various grades of work therein. That is all provided for in the draft convention concerning the creation of minimum wage fixing machinery. I quote from section IV:

> For effectively protecting the wages of the workers concerned and safeguarding the employers affected against the possibility of unfair competition—

That is surely one thing which this government should have power to ensure, protection against unfair competition.

> —the measures to be taken to ensure that wages are not paid at less than the minimum rates which have been fixed should include
> (a) arrangements for informing the employers and workers of the rates enforced;

The workers should know what those rates are. A few days ago in this house it was stated that certain workers were not able to obtain the rates in force. It is surely their privilege to know how what they are being paid compare with rates being paid elsewhere. They should know that they are receiving a return equal to what is paid elsewhere. The section continues:

> (b) official supervision of the rates actually being paid; and
> (c) penalties for infringements of the rates in force and measures for preventing such infringements.

This vote is a very small one, and I do not know just what the minister can do with it. But if it would help him to call a provincial conference which might be induced to recommend that this government and the minister and his department shall have more control over minimum wages, the limitation of hours of labour, and the weekly day of rest, he would be doing a wonderful work for $10,000, a work that would be worth many times the vote. I wish the minister every success in such work. I believe he is earnest in his intentions, and I should like to see him obtain such recommendations from a provincial conference that he might obtain power to ensure fair play for the workers throughout this country.

When I stop to think of the throwing out of an act that was passed by the late government, the unemployment insurance act, I can hardly find words to express my feelings. What is the result to-day? I have no hesitation in saying that it was one of the greatest social acts enacted by a British parliament. The workers in England are working full blast making munitions to-day. When that work slows up many thousands of men may be thrown out of work, but every man who is thus thrown out of work will, during his years of employment, have laid up for himself a fairly substantial unemployment insurance pension which he will find very helpful in the years when work is slack. I hope they will not be unemployed, because a steady wage is better than unemployment insurance. But next to a steady wage, unemployment insurance is the very best thing I know, and I sincerely hope that the minister, during his term of office, may be able to bring that great boon to the workers of this country.

I am not going to discuss the subject to-night because I spoke on it when the bill was before the house, but I may say that it is one of which I have made a very exhaustive and extensive study, examining into conditions in Europe and other countries. I do hope the minister with his sincerity will be able to bring this boon to the working men of Canada. I know that this subject does not come under this item, but all these questions are inter-related because a minimum wage, if enforced, will eliminate the sweat-shops, and the elimination of sweat-shops will provide more men and women with employment. The limitation of the hours of labour—in some places in Canada the workers work sixty, seventy and eighty hours a week—and the reduction of the hours of labour to what these draft conventions call for, forty-eight hours a week, will result in the giving of employment to many thousands of men now unemployed. The weekly day of rest, if enforced, will give many thousands more men and women employment. I know the minister is an idealist, and it is up to him now to put many of these things into practice by whatever means he can employ, using persuasion and all the force of his character to bring each one of these boons to the working men of Canada. The working men and women of Canada have been too long without them. I give the late government credit; it certainly made an honest and vigorous attempt to provide these boons to the working classes of this country. It is true that the acts were thrown out, but it would be unfortunate if the good things the working men of these nine provinces of Canada ought to have should be denied them because we have nine provinces. I certainly hope the minister will be able to

do something which will bring these matters under the control of the department of which he has charge.

I cannot speak for the labour organizations, but I have seen their work, and during the time I was associated with business we had the benefit of the experience and assistance of sound labour organizations at all times. At that time, when I was in business, I believe the international labour organization of Washington and its counterpart here in Canada rendered actual service to industry. I am not one of those who attack these labour organizations, because I know what they do. When we had any trouble in the plant with which I was associated, invariably the labour organizations which directed or controlled men in that plant tried, by conciliation, to keep those men employed and never, so far as I can remember, induced them to go on strike if it could be avoided. A labour organization which does that does good work. In my twenty-five years in industry I saw many fine improvements which were recommended by labour organizations. I am sure, if the minister would attend the next nation-wide meeting of the Canadian labour organizations and present the benefits of minimum wages, one day of rest in seven and so on, with all of which the working people are familiar, they would assist him in obtaining from the provinces, by conciliation and agreement, the necessary support to enable him to have placed on the statute books of Canada legislation that would be beneficial to the country as a whole.

We are asked to-night to vote a fairly substantial bill of salaries. Perhaps it is not enough for what the men and women in the department are doing; I do not know. I am not in any way criticising or finding fault, or doing anything but praising the staff under the minister. But it is a fairly substantial staff and its purpose should be, and I believe is, to assist labour. If that department can get under its control all the things I have mentioned, then it will be a real, one hundred per cent labour department.

Mr. MacINNIS: Before we leave this item, I should like to ask a question with regard to the $100,000 in aid of technical education, authorized by statute. Was the entire amount of $100,000 which was appropriated last year paid out in technical education grants?

Mr. ROGERS: Of the amount of $100,000 available, the following amounts were paid: To Nova Scotia, $22,261.24; to Manitoba, $14,099.12; to Saskatchewan, $21,533.73; or a total of $57,894.09. That expenditure was from April 1, 1936, to December 31, 1936.

[Mr. MacNicol.]

Mr. MacINNIS: How is this money paid? Is it paid on application by the educational department of the province? What are the conditions that must be fulfilled before the province may take advantage of it? I note that there was no payment to British Columbia, yet we have some very good technical schools in that province.

Mr. ROGERS: The explanation is this: the Technical Education Act provided for an appropriation over a period of years, that sum of money to be divided among the provinces on the basis of population. Not all the provinces took up the full allowance available to them under the act, which has been amended twice, the last amendment being made in 1934. That amendment simply provides that any portion of the $10,000,000 appropriated under the act which may remain unexpended at the expiration of the fiscal year ended the 31st day of March, 1934, whether previously carried forward or not, shall be carried forward and remain available according to its apportionment for the purposes of the act during any one or more of the five succeeding fiscal years, and no portion of the said $10,000,000 shall be paid to any province after the 31st day of March, 1939. So it is only in the case of a few provinces that the allowance is still made available under the section to which I have just referred.

Mr. MacINNIS: How much of the $10,000,000 is still unappropriated?

Mr. ROGERS: The total sum unappropriated is $369,536.24, and the appropriation from year to year has been put in at $100,000, for the very simple reason that this amount has been more than enough to cover the applications from the provinces which still have claims to make on that amount.

Mr. GREEN: Are any arrangements being made to call a conference with the provinces in order to try to work out some way of enacting this social legislation?

Mr. ROGERS: No arrangements have as yet been made. As my hon. friend is aware, the text of the decisions of the privy council was received only within the last day or so, and it appears in the Votes and Proceedings of to-day. The matter is receiving the consideration of the Department of Justice and also of the other departments particularly concerned, including the Department of Labour.

Mr. GREEN: May I ask if it is the intention to call such a conference?

Mr. ROGERS: I would prefer not to state at the moment, on my own authority, whether

such a conference would be called. Obviously if it were called, that would be done by the government and not by the minister of a department.

Mr. GRAYDON: I assume I need not draw to the attention of the minister the great importance of the social legislation and its fate when it was brought before the judicial committee of the privy council some time ago. In almost every quarter where there is labour feeling, in my constituency and in other places throughout the province from which I come, the matter of the social legislation which was passed by the late government has assumed very great moment indeed.

I should like to point out to the minister, who I know has the matter in hand and who is very anxious that something concrete should be done, that this is one of the most important problems facing the government of the day. I would point out further that wherever you speak to the labouring men in industry or on the street, the same questions come up—the eight hour day and the minimum wage legislation. In the last week I have talked with many people employed in industry and they are very much concerned over the attitude of the government of the day with respect to the enacting of legislation of this kind on a permanent basis. The eight hour day, the question of minimum wages and the question of unemployment insurance in the dominion at large are matters that vitally concern the labouring people in Canada. I submit that something should be done at once to implement the suggestion made by the hon. member for Vancouver South a few moments ago, and that no time should be lost in calling a conference or at least in doing something along these lines, because the labouring people demand that the government shall do something worth while for them and do it quickly.

Mr. MacINNIS: Has the minister by him the number of provinces that have already enacted the legislation mentioned here, with regard to limitation of hours and the minimum wage?

Mr. ROGERS: None of the provinces, to my knowledge, has enacted legislation precisely in these terms, and I have not before me a statement of the legislation respecting hours and minimum wages existing in the various provinces. Most of the provinces have statutes covering both hours and minimum wages, generally minimum wages only for women.

Mr. RYAN: Is there a fair wage officer in the maritime provinces?

Mr. ROGERS: The eastern representative, Mr. Quirk, whose office is at Montreal, covers a territory including the maritime provinces. He does this in the same way as the western representative with an office at Vancouver covers the prairie provinces and British Columbia.

Mr. RYAN: I would point out to the minister that the people of the maritimes are urging the appointment of a fair wage officer to be located in the maritime provinces. I appreciate the fact that the work is being done from Montreal and I have no particular criticism of the officer, but it has been brought to my attention at different times that there is a desire to have an officer appointed for the maritime provinces, to be located there, and I suggest that the most suitable place would be somewhere in New Brunswick, possibly Saint John.

Mr. ROGERS: Other suitable places have been suggested.

Mr. FINN: I may say for the information of the hon. member for St. John-Albert that there was a fair wage officer at Halifax and he was removed by the late administration. Mr. Quirk comes from Halifax and has always been most satisfactory in every respect. I am only too pleased to be able to make that statement. I do think that the minister, together with his deputy and his assistants, might take into consideration the suggestion made by the hon. member for St. John-Albert, but I must add that I cannot endorse the idea that an officer should be moved from Halifax and the new appointee be located in Saint John.

Mr. LANDERYOU: Are there any employees working on government projects or in government offices more than eight hours a day or six days a week? I have been informed that there are individuals who do.

Mr. ROGERS: If there are any complaints of that kind I shall be glad to have them brought to my attention, and if they fall within the Fair Wage Act it is the duty of the Department of Labour to see that the matter is rectified. It may be that certain projects are excepted from the operation of the Fair Wage Act. The act itself provides for such exception by order in council, but from the information given by my hon. friend I am not able to say whether the eight hour day is being exceeded in any particular project.

Mr. LANDERYOU: The complaint made to me has reference to firemen working in

the barracks in the city of Calgary. I was informed that they were working seven days a week and sometimes ten hours a day.

Mr. ROGERS: I shall be glad to look into the matter.

Mr. BROOKS: Are there more than two fair wage officers in Canada?

Mr. ROGERS: There are four in all.

Mr. BROOKS: Where are they located?

Mr. ROGERS: One in Vancouver, one in Toronto, one in Ottawa and one in Montreal.

Mr. BROOKS: Has any section of the dominion complained that it has not received proper attention from these officers?

Mr. ROGERS: There have been suggestions from time to time that there should be a fair wage officer resident in the maritime provinces. The matter referred to a moment ago by the hon. member for St. John-Albert has received the attention of the department, and we realize that there are some reasons—particularly the question of easy access in cases of dispute—which seem to recommend the appointment of a fair wage officer in the maritime provinces. On the other hand, we have not yet been convinced that the eastern representative is not able to work satisfactorily. It will be remembered that provision is now being made for the appointment of four junior conciliation officers, and with that addition to the staff it may be possible to meet the situation which we have been discussing.

Mr. MARSHALL: Under the act for the organization and coordination of employment services, what is the amount of the subventions paid to the various provinces?

Mr. ROGERS: I take it the hon. member wants to have the apportionment of the $150,000 among the various provinces?

Mr. MARSHALL: Yes.

Mr. FINN: The minister speaks of four special officers who are practically undersecretaries in his department, and I gather from what he has said that perhaps one of these might be assigned to the maritimes. Am I correct?

Mr. ROGERS: I think that might meet the situation.

Mr. FINN: I think the policy shall be to appoint as fair wage officer a person who is in contact with and has the viewpoint of the interests of the various sections of Canada and knows the industry in which labour is employed. Mr. Martin held that position at Halifax and his services were dispensed with by the late administration. The person appointed should be one who has knowledge of local conditions in the maritime provinces, if there is to be one for the three provinces, and is in sympathy with the industries there and with labour generally. When these juniors to be appointed have become acquainted with local conditions it might be wise—I do not say it would—to consider assigning them to these various duties, in order to keep down the expenditure of the department. But I concur in the view of the hon. member for St. John-Albert that at least a maritime man should be appointed who knows conditions there; that was the policy of the administration prior to 1930—and I suggest to the minister the viewpoint which has been expressed by the hon. member for St. John-Albert, and in which I believe my colleague the junior member for Halifax (Mr. Isnor), who I am sorry is not in his seat at the moment, would concur. I should be pleased to confer at any time with the minister and my colleague and any other hon. member from the maritime provinces to present our views and receive those of the minister.

Mr. ROGERS: I appreciate the offer of my hon. friend. I now have the information with respect to the apportionment of the $150,000 among the provinces for the maintenance of employment services. These figures are for the fiscal year 1935-36:

Nova Scotia	$ 4,040 13
New Brunswick	4,411 97
Quebec	32,035 04
Ontario	61,840 78
Manitoba	9,666 88
Saskatchewan	12,680 23
Alberta	11,678 60
British Columbia	13,646 37
	$150,000 00

The federal subvention amounts to about 31 per cent of the gross expenditure on employment services.

Mr. MARSHALL: Under what vote does the administration cost come?

Mr. ROGERS: The administration cost of the headquarters office in Ottawa comes under vote 177 which passed the committee on Monday last.

Item agreed to.

Progress reported.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Friday, February 12, 1937

The house met at three o'clock.

PRIVATE BILL

FIRST READING

Bill No. 19, for the protection of the Dionne quintuplets.—Mr. Gray.

BUSINESS OF THE HOUSE

CANADA-UNITED KINGDOM TRADE AGREEMENT—PROBABLE DATE OF BUDGET

On the orders of the day:

Right Hon. R. B. BENNETT (Leader of the Opposition): Before the orders of the day are proceeded with I should like to ask the Minister of Finance (Mr. Dunning) if it is likely that the trade agreement between the United Kingdom and Canada will be laid upon the table before the budget is presented, and also if he is in a position to give us any indication as to when we may expect the budget in the event of the trade agreement not being presented before the budget is brought down.

Hon. CHARLES A. DUNNING (Minister of Finance): It is a little early to determine that. The trade agreement has not yet been finally completed. I shall endeavour to give the house as soon as possible information as to the time of presentation of the budget and also with respect to the trade agreement.

PRAIRIE FARM REHABILITATION ACT

The house resumed from Thursday, February 11, consideration in committee of Bill No. 18, to amend the Prairie Farm Rehabilitation Act—Mr. Gardiner—Mr. Sanderson in the chair.

On section 2—Duties of committees.

Hon. J. G. GARDINER (Minister of Agriculture): Mr. Chairman, I took advantage of the over-night adjournment to have the departmental officials and the law clerks go over the discussion which took place last evening and make suggestions as to what they thought might de done to meet the proposals then made. The chief law clerk advises that in order to clarify the position the word "advisory" should be added to sections 3 and 4 of the act. The addition of this word will make it perfectly clear that these committees are not charged with administration. Subsection 1 of section 3 of the act would then read, "The governor in council may establish one or more advisory committees. . ." The word "advisory" should be added in subsection 2 before the word "committee." In section 4 of the act the word "advisory" should precede the word "committees" wherever it occurs.

In further explanation of what was said last evening I may say that the original advisory committee found it advisable to have other committees set up. One committee was instituted to advise in connection with water work, another to advise in connection with regrassing, and so on. The committee found it preferable to have this more or less expert advice on these matters. I am informed that the main committee met only twice, once in May and again in December of 1935—that is, one under the previous government and one under the present government. The real work that was based on the discussions that took place there was carried out by these subcommittees which we hope to establish in some legal position by an amendment to the act. It is intended that these committees shall be advisory in the same sense that the original committee is advisory. I would suggest, therefore, Mr. Chairman, that these amendments be made to the bill, adding the word "advisory," at the places indicated. I am sorry that the typewritten recommendation has not yet reached my desk, but I expect it here at any moment.

Mr. BENNETT: Mr. Chairman, I had thought out certain amendments which I believed would meet what the minister stated was his purpose last evening.

First we must take it that he proposes to abolish the present advisory committee. I submit respectfully that that is a mistake. I should like to have placed upon Hansard the names of those who comprise that committee as it now is. I mentioned it yesterday, and the minister stated that he did not have the names then, but perhaps he will place them on Hansard this afternoon. I think it is a great mistake to destroy this committee. The minister says he may reappoint it, but why abolish what you may reappoint? That seems to be a reasonable question.

I have in my hands the report made under the provisions of the statute of 1935 which was filed on the Friday preceding the day I came into the house, which perhaps accounts for my not having seen it before. I hope I shall not be misunderstood when I say that this is a report signed by nobody and ad-

dressed to nobody, and it is a little difficult to treat it as a proper report of the kind that should be made under the act. It is headed, "Report of the work conducted under the Prairie Farm Rehabilitation Act for the fiscal year 1935-36," and after citing the act it proceeds as follows:

Administration of this act is vested in the federal Minister of Agriculture, who is assisted by an advisory committee appointed by order in council. The advisory committee comprises representatives of farming, ranching, financial and railway interests in the affected areas, as well as officials of governments of the dominion and of the provinces concerned. The function of the advisory committee is to suggest measures to the minister for the rehabilitation of drought and soil drifting areas. Detailed organization and supervision of work under the act is largely performed by the dominion experimental farms.

In view of that paragraph in the report, I ask this committee whether they think it is quite fair to put this work in the hands of Mr. Vallance. Mr. Vallance was a member of this house. His strong predilections are so well known that it is not beyond reason to say that he could not go into any community and remain there longer than a few hours without discussing politics. That is not unfair, but I shall not say more than that in his absence. He has no peculiar qualifications for this position, and he is being paid the equivalent of the indemnity of a member of parliament, he having been a member of the last house. I submit that whatever we should do, we certainly should take out any thought of there being anything of a political flavour to the administration under this bill, and it is impossible to do that with Mr. Vallance at the head of it—absolutely impossible; and what is more, there is no member of this house who was here in Mr. Vallance's day that does not know it. He has told us on several occasions that he was born in Scotland, which of course is a great asset, a very great asset in Canada; but the knowledge he has of these areas is problematical, in view of his own statements from time to time, because he lived in a section of the country that is not concerned or has very little concern with this—

Mr. ROSS (Moose Jaw): Right in the drought area.

Mr. BENNETT: Swift Current is, but how much of Battleford was in that area?

Mr. ROSS (Moose Jaw): Practically all of it.

[Mr. Bennett.]

Mr. GARDINER: It is all in it, every bit of it.

Mr. BENNETT: We will assume he is familiar with his own locality. Now I take the minister's own statement—these are the words in the report:

Detailed organization and supervision of work under the act is largely performed by the dominion experimental farms.

What is more, this report contains details of what apparently the dominion experimental farm people were doing. I put this to the committee: is it fair to the people of Canada who are to spend millions of dollars in rehabilitation that a very strong partisan should be placed in charge of this work? Remember this: the preceding government had to deal with it, and whom did they put in charge? They took the manager of the experimental farm at Swift Current, so that those who had to provide the money would feel at least that there was no political flavour to the administration.

I confess to having a great liking for Mr. Vallance personally, as many others have; but as to his fitness for this position it is quite inconceivable that anybody would seriously consider it. He could not go into any community without talking politics. He is so constituted that he cannot help it. I am not saying that to his detriment at all, because it shows a lively interest in public concerns; but it does not indicate any fitness for this job, and that is the reason that the preceding government placed the administration in the hands of the experimental farm manager at Swift Current. I do submit that to appoint Mr. Vallance to this position at $4,000 a year is to give a blow to the efficiency of the administration of this act right at the start. It is now under suspicion; it was the minute Mr. Vallance was appointed, and will continue to be, and that is unfair to the people who have to find the money. The press this morning suggests that the minister expects to get $3,000,000 for next year. When the $3,000,000 is provided, the gentleman who is to be at the head of its administration is one whose offensive political observations in this house have been of such a character that certainly he is not entitled to great confidence on the part of many people. The people in the area affected are not all of one political faith; they are people with differing political views. I put that to the government.

After a statement of the general drought conditions, the report continues at page 2:

Under the rehabilitation program which has been inaugurated in accordance with the terms of this act, efforts are being made to effect improvements in farming practices and land utilization. An essential feature of this work is the encouragement given to farmers to solve their own drought and soil drifting problems by community cooperative action, with a minimum of material and financial assistance from governmental sources. For this reason the rehabilitation program is largely demonstrational and fact finding, with the object of supplying leadership and guidance for permanent readjustment of agriculture in the affected area rather than to provide temporary assistance during the continuance of the existing conditions.

With the foregoing general aims in view, measures are being introduced throughout the drought and soil drifting areas to secure the most economical utilization of soil moisture for crops, to prevent soil drifting and to reclaim abandoned farm land for its most suitable use in either crop production or grazing. Drought resistant grasses, with soil binding properties, are being used for the production of hay or pasture on areas of land which are unsuitable for grain production. Regrassing work of this nature is especially timely in the semi-arid areas of Saskatchewan and Alberta in view of the present trend towards grazing on these areas. Tree planting as a measure of soil drifting control is being conducted on a large scale, both for demonstrational and experimental purposes. Throughtout this work considerable attention is being given to the economic aspects.

That is a record, not a prospectus. The minister indicates his prospectus, but this is the record which the minister places before the house of what has been done, not of what is to be done. On that state of facts it is shown by the record that we have been able to do this with the aid of this advisory committee.

I would ask the committee to look at the closing paragraph on that page:

An important part of the rehabilitation program is the development of surface water resources for stock watering purposes, and for the production of reserve supplies of feed under irrigation.

In connection with all phases of this program a considerable amount of investigational work is in progress, while the demonstrational projects have valuable fact-finding qualities.

The various rehabilitation measures in use, and the agencies through which they are being introduced, are described below, together with some reference to the progress made during the fiscal year 1935-36.

Then follows the record of all these proceedings. Here are the words:

During 1935 thirty-nine district experiment substations were established at strategic points in the affected area of the prairie provinces. The location by general districts of the various substations is shown in the following list.

Then follows the list: southwestern Manitoba, three Goodlands, Lyleton, and Pipestone; southeastern Saskatchewan, Alameda, Avonlea, Radville, Strasbourg, Weyburn; southwestern Saskatchewan, Canuck, Carmichael, Fox Valley, Limerick, Lisieux, Parkbeg, Tompkins, Tugaske, Valjean, Gravelbourg, Herbert, Kincaid, Piapot, Riverhurst, Shaunavon, Willow Bunch; central Saskatchewan, Dunblane, Guernsey, Juniata, Kindersley, Loverna, Rosetown; southern Alberta, Bindloss, Castor, Cessford, Consort, Foremost, Lomond, Whitla, Youngstown, and Pincher Creek.

Inasmuch as the district experiment substations serve as the principal means of introducing the best measures of drought and soil drifting control, and of determining the relative value of different measures in various districts, the work of these stations is described below in some detail.

After which follows several pages giving in detail the work that has been accomplished.

Then follows reclamation projects and these projects are referred to at great length—at Melita, at Mortlach, and at Kerrobert; and as to the agricultural improvement associations, what has been done is set out in some detail.

There follows what I conceive to be most important, in view of what the minister said yesterday—this is his report, not mine—on page 10: "Agricultural improvement associations under the Prairie Farm Rehabilitation Act as of March 31, 1936." That was nearly a year ago, and here is the statement of the improvement associations that existed then. Presumably there are many more now. There was no amendment of the act at that time. In Manitoba there are associations at Goodlands, Lyleton, Medora, Pierson, and Reston. In Saskatchewan there are associations at Aneroid, Beechy, Ceylon, Chaplin, Estevan, Gull Lake, Hazenmore, Herbert, Kincaid, Lafleche, Limerick, Lucky Lake, Macrorie, Maple Creek, Meyronne, Minton, Moose Jaw, Mortlach, Orkney, Shamrock, Shaunavon, Sidewood, Tugaske, Valor, and Weyburn. In Alberta there is the Argyle-Clear Lake agricultural improvement association.

We then come to grass seed production. The question was asked yesterday what was intended to be done. Here is the record, not of what was intended to be done, but what was done, in respect to grass seed production:

During the fiscal year the following quantities of seed were supplied for various rehabilitation projects:

	Pounds
Crested wheat grass	86,384
Brome grass	25,760
Western rye grass	8,190
Sweet clover	35,000
Alfalfa	7,230
Alsike clover	500
Timothy	1,000
Reed canary grass	500

Here is a record of achievement under this act that I consider to have been a fulfilment of the purposes for which it was enacted.

Then there is a reference to seed and clover, where it came from, and the conditions under which it was produced:

In order to determine the best methods of seeding perennial grasses and legumes seeding experiments are being conducted by the dominion forage crops laboratory at Saskatoon, in cooperation with a number of farmers in that district. In these experiments grasses and legumes were seeded at different dates on light soils both broadcast and drilled, with and without cultural treatments. While the results secured during 1935 were not sufficiently conclusive to enable recommendations to be made, they provide some valuable guidance for future investigations.

Tree planting is then dealt with, and one is amazed at the very large effort—much greater than one would have expected—that has been put forward in that regard, in the distribution of seedlings. Reference is then made to the field crop shelter belt association,—all these under this act; all in actual operation:

These associations have been formed by farmers in selected districts where it is desired to establish demonstration field shelters in order to determine their effect in checking soil drifting and conserving soil moisture. Each member of an association undertakes to plant field shelter belts on his farm with the assistance and under the supervision of the tree planting division.

Then there is a reference to the Conquest field crop shelter belt association:

It was organized in January, 1935, and subsequently brought under the operation of the Rehabilitation Act. By March 31, 1936, this association comprised twenty-seven members representing a farming area of 51,840 acres. During 1935 over 80,000 trees were planted in shelter belts in this area, and preparations were made to plant 372,200 trees in the spring of 1936.

A statement follows of what has been done with regard to soil research and soil survey. I consider the matter of soil survey to be so important as to warrant a few observations with respect to it. One of the very richest of the station owners in Australia left his large fortune, or a substantial part of it, to establish a laboratory for the purpose of providing a survey of the soils of western Australia,—the Waite institute. It is presided over at the present time by Doctor Richardson, who has visited this country and with whom our research department is in close consultation. A complete soil survey map of Australia is being prepared to determine what parts are capable of being used for the production of crops of grain and what parts are fit only for grazing and for the raising of cattle and sheep. Observe now what we are doing here, and I think this is one of the most important observations in this report:

The object of soil survey work is to determine the nature, extent, and location of various types of soil, with special reference to their crop producing capacities. This work, in addition to being of fundamental value in soil research work, is particularly useful in the formulation of land utilization policies and for the guidance of farmers and prospective settlers.

For a number of years soil surveys have been conducted in each of the prairie provinces under the direction of the provincial universities. Under the rehabilitation program soil survey work throughout the drought area is being accelerated by the provincial universities and the dominion experimental farms.

During 1935 the department of soils of the University of Manitoba conducted a soil survey of 1,774,080 acres of land in the southwestern part of the province. The area surveyed consisted of townships one to seven inclusive in ranges 19 to 29 west of the prime meridian. This survey covers the principal drought and soil drifting area in Manitoba.

Then follows a reference to what has been done in Saskatchewan through the soils department of the university of Saskatchewan; and these words, on page 17, are important:

This map is the result of work done during several years prior to and including 1935.

Mr. DUNNING: Since 1926, in fact.

Mr. BENNETT: I will read it.

A reconnaissance soil map of the southern part of Saskatchewan, with a descriptive report, was prepared during 1935 for publication by the soils department of the university of Saskatchewan. This map is the result of work done during several years prior to and including 1935. The area covered by this survey, consisting of more than 60 million acres of land or about two-fifths of the total land area of the province, extends from the international boundary to township 48, and includes practically all of the settled agricultural land in the province.

Mr. DUNNING: For the information of my right hon. friend I may tell him that that work was done as a result of the establishment by the province of Saskatchewan a

number of years ago of a fund at the disposal of the university as an endowment for that specific purpose, the moneys used being a surplus accruing to the province from the operations of the 1919 wheat board. The work has been going on for quite a number of years. The sixty million acres referred to really represent the accumulation of the work.

Mr. BENNETT: Well, I have read from the report of the minister's colleague. The report of the Minister of Agriculture is a report under this act, and I assume when he states that the map was prepared in 1935 he is stating the fact.

Mr. DUNNING: Oh, the map, yes.

Mr. BENNETT: This sixty million acres is—

> . . . about two-fifths of the total land area of the province, extends from the international boundary to township 48, and includes practically all of the settled agricultural land in the province. Further soil survey work in Saskatchewan will consist of reconnaissance surveys in the northern part of the province, and detailed surveys of problem areas in the south.

In Alberta, it is stated, they have already surveyed 921,600 acres located in townships 1 to 8, in ranges 1 to 5, west of the fourth meridian.

> In this work special attention is being given to blowout and drifting areas.

Then follows a report on the economic survey—all under the provisions of this act:

> A comprehensive study of land utilization in Saskatchewan and Alberta is being conducted as a part of the prairie farm rehabilitation program by the economics branch of the Department of Agriculture with the cooperation of the department of farm management of the university of Saskatchewan and the provincial department of agriculture in Alberta.

Passing on, we find a complete report on water development and hygrometric survey in the western provinces, and, at page 21, a summary of the expenditures that were made for these purposes. The appendix is another important part of the report. It shows the progress of water development under the supplementary Public Works Construction Act of 1935 for the fiscal year ended March 31, 1936, and the various projects are dealt with in detail, including the expenditure that was made in connection with the Canada land irrigation project. But the important point is that this work has been carried on—

> . . . Under the appropriation that was made under the Public Works Construction Act of 1935 and under the terms of the supplementary Public Works Construction Act, 1935—item 6, western conservation works—the sum of $500,000 was made available for the construction of water development projects in the prairie provinces. This sum is being used in the construction of large agricultural water development projects in the drought areas as part of the rehabilitation program while small water development projects are cared for under the Prairie Farm Rehabilitation Act. Engineering services for both large and small projects are provided for under the latter act. Administration of this fund is through the water development committee under the dominion experimental farms of the Department of Agriculture.

Then there is a report on the progress of water development work in 1935, and a statement with regard to the large schemes dealt with:

> Community irrigation projects:
> Val Marie irrigation project, Sask.
> Eastend irrigation project, Sask.
> Wild Horse storage dam, Alta.
> Middle Creek storage reservoir, Sask.
>
> Community water storage projects:
> Souris dam, Man.
> Crystal City dam, Man.
> Rural municipality of Edward, Man.
>
> Drainage projects:
> Municipality of Lajord reclamation project, Sask.
>
> Rehabilitation of existing projects:
> Eastern irrigation district, Alta.
> Canada Land and Irrigation Company, Alta.
>
> Water development projects for 1936.
> Adams Lake dam, Sask.
> Wood River storage dams, Sask.
> Red Deer experimental gas well, Alta.

Details follow as to the works done with respect to each of these, and, finally, a statement of cost. That report, as I say, was tabled by the minister under the provisions of the act, and it brings us only to March 31, 1936. Since that time nearly a year has passed, and, as the report indicates, much work that was then in progress was to be continued during the year 1936; so that I assume, for the purposes of my observations, that the work has been carried forward. I therefore suggest that the inevitable conclusion at which one must arrive is that the act has been found satisfactory, otherwise these vast undertakings would not have been carried out. Consequently there must be some good reason why, by statute, we are abolishing this advisory committee, and that reason I have not yet received. I asked yesterday whether some reason could be given, and I had in mind an amendment which I might have suggested, though I knew that if I proposed an amendment it would be simply courting and inviting its rejection. I merely suggest, however, that the existing section should stand and that there should be added a second section which would provide for the setting up of local committees and associations. But that can be done under the section that deals with regulations, and it has been done. Here is the report of the minister, who does

not suggest a single difficulty in the operation of the act—not one. Nor does anyone else make any such suggestion in writing. Mr. Vallance does not offer a report complaining of inefficiency, nor does any one else complain of the inadequacy of the act. We have, therefore, an act that brings its operations to the end of March, 1936, indicating that it has been highly successful and that operations have been carried on with respect to every matter that is mentioned in it. I therefore suggest that the proper course would have been to leave the advisory committee alone—because, if it is found unsatisfactory, the minister can abolish it by order in council—and to add another section to provide for the appointment, if the minister so desires, of local committees charged with responsibility for matters in connection with local associations, agricultural and otherwise. But I need only point out, in answer to that, that they have already functioned under this act, that the regulatory power is broad enough to permit of this; and I have taken all the time I have in dealing with this matter for one reason and one reason only. I am not personally concerned about it, but I am vitally concerned that there should not be created in this country a body of public opinion that looks upon this effort as one that is political in character. I speak feelingly because the late government set it up. The late government initiated the statute and we appointed as chairman a gentleman who was charged with responsibility for the administration of the experimental farm at Swift Current, a man who was out of active politics. We placed in authority one who, at least, would carry the confidence of all those who were concerned.

It might well be desired, so far as the advisory committee is concerned, to improve or alter the personnel; it might be desired to amplify it in many ways. I am not concerned about that. But clear it is, on that report which was tabled the day after the house opened, Friday, and coming from the Minister of Agriculture, that up to March 31, 1936, a variety of operations had been carried on under the act, and I think it would satisfy most of us that it was better than had been suggested. But, mark you, the change in chairmanship from the manager of the experimental farm at Swift Current to Mr. Vallance has not been calculated to improve public confidence in the undertaking, and it is not calculated to inspire confidence on the part of the people of eastern Canada who will have to provide largely the money which the minister asks for. It will not enhance in their minds the disinterestedness of this legislation, which, for some reason that has not been given us, abolishes the advisory board, whose report is there without complaint from the minister, and substitutes by way of amendment sections providing for smaller committees—though in that respect I offer not the slightest objection if the minister thinks they are desirable. But one would have thought, when this report was prepared, that there would be some indication that there had been a failure of power on the part of those charged with responsibility, or that there had been inadequacy of authority, or that there had been some other want that had to be supplied by legislation. Nothing of the sort appears, however; and, stripped of everything, the bill that is now before the house is one that wipes out of existence the advisory committee and, as amended, authorizes the continuance of an advisory committee and the appointment of local committees—something that has been done during the last fifteen or eighteen months. And persumably it was done under the regulatory section; for, as I explained yesterday, the act was drawn in the most comprehensive and general terms because it was deemed inadvisable to particularize having regard to conditions existing in western Canada, inasmuch as that would be greatly detrimental to the efficiency of the act. The largest power of expansion was therefore provided for by regulation and otherwise; and this report, whatever else may be said about it, is a complete vindication of the character of the work under the provisions of the statute.

I had hoped that possibly the minister might be content to leave the advisory committee as it is, having power as he has to change it by order in council if he so desires, and to add to his bill a section providing for the appointment of additional committees from time to time if that were desirable. As to the suggestion of permanency of policy and continuity and stability, I am quite content with any language that may be employed for that purpose which expresses the idea indicated by the Minister of Finance yesterday, namely, that as projects are studied and their cost estimated the governor in council could appropriate out of the sums which have been provided for that purpose sufficient money to enable these named projects to be carried forward to completion.

If anyone, Mr. Chairman, supposes it is an easy thing to stand up and talk about this matter for the length of time I have, and that it is done merely for the purpose of talking, he is greatly mistaken. I desire to assure this committee that I have only one object in doing so. Having gone to western Canada some forty years ago last month, and being vitally concerned in everything that

affects the welfare of the people who will live there long after I am gone, I have made these suggestions because I feel that this is a retrograde movement, rendering less efficient something which has been proven by the minister's own report to be highly efficient; and what is more I regret that it indicates an atmosphere, a tendency that I should like to see avoided. And I hope hon. members will believe me when I say that when we had to appoint a chairman they can have no conception of the number of people who would have liked to be appointed; for there are Vallances in all parties. But the man who was appointed was in the public service, one who according to the report of the minister, having to do with a demonstration farm, was the best suited and fitted to do that work. We therefore avoided any political aspect, although I am afraid we displeased greatly men who felt that they had claims. They were not then defeated candidates, nor had they been in the last House of Commons, but they had qualifications equal to those of the gentleman who now presides over this organization. I had hoped it would not be necessary to put a violent partisan into this position. I can speak with some degree of feeling about it, because we took steps to avoid doing it, and having taken those steps naturally I regret the course which has been taken in connection with this matter. I cannot usefully say anything more in respect to it; the government has the power to pass this legislation. But I want placed upon Hansard the names of the advisory committee, in order that there may be some understanding of what is meant by the minister when he says in the opening paragraph of his report that he was assisted by an advisory committee appointed by order in council comprising representatives of farming, ranching, financial and railway interests in the affected areas, as well as officials of governments of the dominion and of the provinces concerned. Just who they are who are now to be deprived of these non-remunerative but highly serviceable positions I think should be placed upon Hansard.

Mr. GARDINER: Mr. Chairman, I had hoped last night, having gone as far as I did to try to meet what I considered to be the very trivial objection raised by the leader of the opposition (Mr. Bennett), that when we came back to-day, having met him at least half way, we should be treated to a discussion of the legislation on its merits rather than have to listen for half an hour to the right hon. gentleman who I think protests a little too much about his own political purity. Having listened to the speech which we have just heard I think it would be well to place before the committee the full record indicating how this committee was set up in the first place, when and how often it functioned, and what was done before the committee was set up at all.

Towards the end of 1934, I think in December, the premier of Manitoba addressed clubs in eastern and western Canada proposing a scheme for the rehabilitation of the drought area of western Canada. In those addresses he suggested everything that is included in the powers given under the act which was eventually passed in this house, and a number of things which are not contained in that legislation. On the suggestion of the premier of Manitoba I called a meeting in Saskatoon and invited to that meeting representatives of the governments of Alberta and Manitoba, and took with me to the conference the minister of agriculture of Saskatchewan. We met in the early part of January, discussed the drought situation, and listened particularly to the representations which the premier of Manitoba had made in these addresses and wished to present to the governments of the three prairie provinces.

Mr. BENNETT: That was in 1935?

Mr. GARDINER: That was in January, 1935. On January 19 I wired the Minister of Agriculture of Canada in these words:

> Three prairie premiers meeting a week ago decided to hold meeting of committee of six, two from each province, some day before February 7 to discuss drought and arrange for compilation of all information available re soil, climate, etc. All are anxious Ottawa have two representatives. Could you suggest a date when you could be represented in Regina? Writing.

On the same day I wrote the following letter to the Minister of Agriculture:

> I sent you a telegram this morning which reads as follows:

And then I quoted the telegram.

> A week ago to-day Mr. Reid,—

Who was then premier of Alberta.

> —Mr. Bracken and I met in Saskatoon and discussed the possibility of setting up a committee which would give special attention to having all information available with regard to the dry area of the west compiled at the earliest possible date.
>
> A committee was set up consisting of the three premiers and the three ministers of agriculture of the western provinces, and it was decided that we ask the federal government to be represented on the committee by two. We are desirous of having the first meeting of this committee some time before February 7, and would like to invite your government to have two representatives appointed who would be members of the committee.

It is the intention of this committee to arrange for the expenditure of a small amount of money to be used for the purpose of getting together in one place all of the information available with regard to the dried-out area pertaining to climate, soil, tree planting, the growth of grasses and all other information available from any source with regard to the area itself. It is also our intention to have compiled all the information available with regard to surrounding areas similarly affected, particularly on the American side, with a view to laying the foundations for systematic endeavour towards a solution of the drought problem in the three provinces.

It was thought that if each of the governments were to put up $5,000 towards the clerical work involved and the federal would put up an equal amount, namely $15,000, the sum thus set up would cover all the necessary expenses.

That is, the necessary expenses of compiling the information.

We would like therefore to invite the federal government to join us on this committee through representative whom they would appoint, to have them assist in the financing of the work and to lend every assistance possible in connection with getting the records completed.

I trust that you will be able to set a date when it will be possible for your representatives to be present.

Now, I had a reply to that dated January 22. It is very short and very concise:

Ottawa, Ontario,
January 22, 1935.

Hon. J. G. Gardiner,
Premier Saskatchewan,
Regina, Sask.

Re tel appreciate your wiring agenda suggested meeting re drought conditions.

That is the wire, and it is signed "R. Weir." Then, on January 24, I answered in these words:

Answering your wire twenty-second, no definite agenda arranged for proposed federal provincial conference on drought problem. We did not consider it proper to arrange agenda without consultation with federal representatives. General purpose is to arrange if possible for cooperation in collecting available information and formulating policies which could be supported by all governments concerned. Similarity of problems in three provinces and national importance of putting agriculture of drought stricken area on a more sound basis seemed to us to warrant common plans and concerted action.

And I had almost as concise an answer to that. The answer was given on February 2:

Re tel twenty-fourth,—

I had better read the whole wire.

Ottawa, Ont.,
Feb. 2, 1935.

Hon. J. G. Gardiner,
Premier Saskatchewan,
Regina, Sask.

Re tel twenty-fourth, regret Kirk's illness has made it impossible to set date.

R. Weir.

I assume that Mr. Kirk is one of the employees of the Department of Agriculture whom he might have sent had Mr. Kirk not been ill. But with a department of the size that he was presiding over, I would imagine there would have been someone else who could have been sent, despite the fact that Mr. Kirk had been ill. But those are the only answers we received to these proposals.

The next intimation we had that this matter was being discussed and considered in Ottawa we got through an article which appeared dated at Ottawa, setting forth what apparently was passing through the minds of at least some persons in Ottawa at that time. I would like to read certain sections of that report in order to indicate what the attitude seemed to be. This was published in the Regina Leader-Post of Regina, Wednesday, February 13, 1935, under date of Ottawa, February 12, and the heading of it is:

Provinces not included in Weir scheme. Drought area rehabilitation as proposed purely federal project.

That was just ten days after the wire that I have just read to the house.

Official information obtained from government sources is to the effect that the provincial governments will play no part in the Weir scheme of drought rehabilitation in the three prairie provinces. This scheme has been worked out by the experts of the dominion Department of Agriculture in consultation with engineers, foresters, and the members of the areas affected.

That was on February 13, 1935. And there was no advisory committee in existence at all until May, 1935, as I shall be able to show in a minute. It states:

This scheme has been worked out by the experts of the dominion Department of Agriculture in consultation with engineers, foresters and the members of the areas affected.

I do not suppose they invited Mr. John Vallance to that meeting, although he was one of the members from the area affected.

Mr. BOTHWELL: I might interject they did not invite any others.

Mr. GARDINER: I do not suppose they invited the hon. member for Swift Current or the hon. member for Weyburn of that time. I do not suppose they invited the hon. member for Assiniboia. I do not suppose they invited the hon. member for Willow Bunch to that particular meeting. There is very little of the drought area left in the province of Saskatchewan, if you leave out of consideration the constituencies I have just named, represented by the members I have indicated. It continued:

It has not yet been reduced to final form, so far as operations in 1935 are concerned, but it appears probable that the dominion will

spend approximately $5,000,000 on five specially selected areas. One of these will be in Manitoba to the west of Deloraine, three will be in Saskatchewan, and one in Alberta. Each area will comprise one township or thirty-six square miles. The expenditures would be, roughly, one million dollars each.

That was the first plan mentioned by the Minister of Agriculture from Ottawa at that time.

Mr. BENNETT: I must now—I have permitted it to go just where I want it, just that far. I rise to a point of order, to a question of order—

The CHAIRMAN: A point of order?

Mr. BENNETT: It is this: The minister has read from a newspaper known to be opposed to the then government of the day, and he has now declared that that was a statement by the Minister of Agriculture of that time. It does not purport even to be that, and it is only an article from an opposing newspaper. The point of order is that the statement is absolutely untrue, and that it is not a statement of the facts.

Mr. GARDINER: On the point of order: I have made no such statement. I have had words put into my mouth by the leader of the opposition as often as I will permit him to put them into my mouth. I read this article and then I said, having read it, that the Minister of Agriculture of that day did speak to the people of Canada at that time.

Mr. BENNETT: That is not what was said. I rise to a point of order. Hansard is there.

Mr. GARDINER: Hansard will show it to-morrow.

Mr. BENNETT: It will show what is said, now.

Mr. GARDINER: Hansard will show to-morrow morning what I said.

Mr. BENNETT: We are not going to have our rights taken from us by evasion.

The CHAIRMAN: Order. Has the leader of the opposition a statement on the point of order?

Mr. BENNETT: Yes. The statement on the point of order is that the statement as by the minister is at variance with what he said. The minister complained about having words put in his mouth by me, and I have the right to have read what he said, the words used, on the question of order.

The CHAIRMAN: My ruling is that the point of order is not well taken.

Mr. BENNETT: I ask to have it read now. I am within my rights to know what has been said.

Mr. DUNNING: Quote the rule.

Mr. BENNETT: The rule?

Mr. DUNNING: Yes.

Mr. BENNETT: It does not require a rule. It has been done frequently when there have been questions as to statements, and Hansard has given the words.

Mr. GARDINER: Mr. Chairman, when there is any question with regard to the statement of an hon. member the member has the right in this house, and in any other house in the British Empire, to say what he said and what he intended to say, as a fellow member of this house.

Mr. CAHAN: No, not when you have heard it.

Mr. GARDINER: Even when you have heard it. I have noticed this, that when on one occasion the right hon. the leader of the opposition made a speech—

Mr. BENNETT: I rise now, if we are going to talk about order, the Minister of Agriculture is talking about what the leader of the opposition did at some other time. The question of order is whether he did or did not make the statement. The statement of the Minister of Agriculture, which was heard by every hon. member, was made when he began to read from a newspaper purporting to be the Leader-Post of Regina. His statement was that the words contained in the statement were those of the minister.

Mr. GARDINER: On the point of order—

The CHAIRMAN: In my opinion the point of order is not well taken.

Mr. GARDINER: Well, Mr. Chairman, getting back to where we left the discussion: I was stating that the Minister of Agriculture prior to the time of the appointment of the committee had taken a certain position in relation to this particular matter. Now that the leader of the opposition has called my attention to it, I might say that this newspaper article is so much like what the minister did say in the house at a later date and is so much like the policy that was finally adopted, I have no hesitation in saying that whatever newspaper reporter put this in the press must have had official information, as he says at the beginning of the article.

Mr. BENNETT: He did not even say that. Here we have a minister with some sense of responsibility rising in his place to state that he assumes the responsibility of saying that a minister made a certain statement.

The CHAIRMAN: Is the right hon. leader of the opposition rising to another point of order?

Mr. BENNETT: It seems to be useless to raise points of order, but I am raising one.

Some hon. MEMBERS: Order.

Mr. BENNETT: There is no "order" about this.

An hon. MEMBER: There should be.

Mr. BENNETT: The point is that we have a minister, even when his attention is directed to it, attributing to a former minister something which appears in the newspaper and saying that it represents that minister's official opinion.

Mr. DUNNING: On the point of order, I assume the Minister of Agriculture has a right to express an opinion as to the veracity of a newspaper article, which is what he is doing.

Mr. BENNETT: The Minister of Finance should know better than that. In the British House of Commons he would not be permitted to read the article at all.

Mr. DUNNING: We are not in the British house. Many articles are read here.

Mr. BENNETT: Some Speakers have ruled that they can be read and others have ruled that they cannot; some chairmen have ruled that they can be read and others have ruled that they cannot. Is it competent, when attention is directed to it, for a minister to say that a statement which he reads from a newspaper is the statement of the Minister of Agriculture of that time?

Mr. DUNNING: He did not say that.

Mr. BENNETT: That is exactly what he said.

Mr. GARDINER: I will say once more that I stated in my own words, not in the words of the newspaper, what I thought the Minister of Agriculture said at that time. I think I can pretty well prove what he said, not from a paper which happens to be opposed to the government of the day but from a paper just as good a supporter of the then government as the Mail and Empire in the city of Toronto, and from a number of other papers in Canada. These papers carried the same article as was seen in the western papers at that time. The article goes on to say, and I am now quoting from the article:

> It is pointed out here that nothing in this program entrenches upon provincial jurisdiction and that provincial cooperation therefore is not necessary.

That is a new theory—I am now talking in my own words and not in the words of the article—of government in the Dominion of Canada because action which is going to be taken by the dominion government does not in any way entrench upon the constitutional rights of the province, therefore there is no necessity for any cooperation. I quote again from the article:

> Efforts to cooperate with the provinces in the past, it is declared, have not been successful and the scheme, it is believed, will have greater chances for success if carried through as a purely federal venture.

That makes it exactly clear what was in the minds of at least some people at that time. There is further correspondence here which I do not intend to deal with at the moment, but which I may find it necessary to refer to later.

Coming back to the statement with regard to expenditures which was read into the record of the house a few moments ago, with the intention, I assume, of giving the impression that this was something entirely new in the Dominion of Canada, that it was an idea established in the minds of the people of Canada by the government of the day in Ottawa to be carried out by the expenditure of public moneys and that any future credit was to be given to the government of the day for having carried out that policy. All the discussion that has taken place in this committee since the second reading has been an indication, to me at least, that for some reason or other the leader of the opposition is very anxious that all the credit for everything that has been done up to date in connection with this matter shall go to the government of that time.

I have before me the list of expenditures which was read to the house a few moments ago by the leader of the opposition for the year 1935-36, and also a list of expenditures made from April 1, 1936, to January 31, 1937. Under district experiment substations there was expended $70,524 during the first year, and up to date this year there has been spent $74,468. For reclamation areas there was spent $15,875 during the first year, and $32,-213.40 up to date this year. For large scale grass seeding—it will be noted the leader of the opposition dwelt upon this for some considerable time—there was no expenditure in the year 1935-36, while there has been expended $1,212.85 in the year we are now in. Reserve for grass seed: no reserve shown for 1935-36, and an expenditure of $21,870.77 for 1936-37 up to date. For tree planting there was an expenditure of $18,600 in 1935-36 and $30,953.19 in 1936-37 up to date. Soil investigations, Swift Current laboratory: expenditure in 1935-36, $7,632, and in 1936-37 to date,

$16,354.94. Publications of data: no expenditure in 1935-36, and $2,552 expended this year up to date. Water development projects, small: expenditures in 1935-36, $123,881, and in 1936-37 up to date, $191,252. Administration—this is a very interesting item, and I am pleased that the leader of the opposition has called it to my attention—expenditures in 1935-36, $31,681.15, and in 1936-37, $16,985.97. The expenditures this year are just slightly more than half as much, and it will be recalled that even last year we did not have a twelve month year in connection with this particular work. Soil surveys—this was to be very important—expenditure in 1935-36, $12,842.69, and $30,083 in 1936-37. Economic survey: expenditures of $5,832 in the first year, and $9,627 in the second year. Hydrometric survey: expenditure of $7,483 in the first year, and $3,301 in the second.

That ends the expenditures for 1935-36, but there are seven more items of expenditures made during this financial year. Apparently no expenditures were made on these items in the previous year. There was spent this year $36,193.95 for feed relief in order that farmers might have sufficient feed to feed their horses in order to dig the dugouts. The expenditure for moving settlers was $537.40. There was no expenditure last year for distribution of pure seed grain, but the expenditure on this item this year amounted to $4,030. Then for agricultural extension work, $12,100; agricultural improvement associations, $2,824.86; special soils research, $2,889.03; distribution of Morden rust resistant wheat, $1,375.55; making a total for 1935-36 of $342,424.01, and the total for this year up to January 31, 1937, is $499,631.09, or a total for the two years of $842,055.10.

In going over the record the leader of the opposition would leave the impression that this was all new work set up last year. The Minister of Finance (Mr. Dunning) and every member of this house will know that the first item, district experiment substations, is an item which has been in the agriculture estimates for many years. That work was carried on in the Department of Agriculture before rehabilitation was ever thought of. It was extended, it is true I did make some criticisms when I came into the department. I took the position then, and I take the position now, that ordinary agriculture work that was always charged up to the ordinary estimates of the department should not be buried in a rehabilitation vote, and I hope we shall be able to correct that as we go along.

Then, reclamation areas. It is just possible that the exepnditure of the federal government on reclamation areas is a new thing. If it is, it certainly is not a new thing so far as provincial governments are concerned, because that work has been going on for many years. For many years the seed branch of the Department of Agriculture has been promoting the production of better seed for use here and there throughout Canada, and last year they added to that particular policy the accumulation of some of such seed to be used for regrassing in the rehabilitation area. It has just been suggested to me by one hon. member that the former Minister of Agriculture (Mr. Motherwell) started that at Manyberries many years ago.

Then, grass development. This work has been carried on by the Department of Agriculture for many years. All anyone has to do to find that out is to visit the experimental farm in Ottawa as soon as the snow goes off the ground, and walk over the grass experimental strips. The work has been going on for years, and is still proceeding. It has been in progress ever since we have had experimental farms in the Dominion of Canada.

As to tree planting, we had a place at Indian Head from which farmers could get free trees long before I became a resident of western Canada, and I imagine even before the leader of the opposition became a resident of western Canada. Almost every farmer in the prairie section of the Dominion of Canada can point to a row of trees around his buildings which he obtained from the experimental plot at Indian Head. There is nothing new about it. It is not a policy for the rehabilitation of the drought area of the western part of Canada. It is simply the carrying on of a policy that has been in existence in the western part of Canada ever since there was a western Canada and ever since we had experimental farms and plots.

Then, soil investigations. As was stated by the Minister of Finance a few moments ago, at the end of the operations of the wheat board following the war there had accumulated overages at the elevators at Fort William and other terminals. These overages belonged to someone, and it was decided, in the wisdom of the government of the day, that the amounts of money that could be obtained for these overages should be distrubted among the three western provinces which grew the greater part of the grain. I do not know what the province of Alberta did with their share of the money, nor what the province of Manitoba did with theirs, but I do know what the province of Saskatchewan did with theirs. The money

was turned over to the province of Saskatchewan just about a month or two before the present finance minister ceased to be the premier of the province of Saskatchewan, and at that time he suggested that this money be set aside for the purpose of doing something that would be really worth while for all time to come for the wheat growers of Saskatchewan. To that end he suggested the setting up of a committee and the turning over to it of this money to be invested, the income from which, and the income only, to be used from year to year for some purpose that would be beneficial to all the farmers of the province. About that time he came to Ottawa and I became the premier of Saskatchewan and carried out the plan he had suggested. We chose a committee and turned over to it in the neighbourhood of a quarter of a million dollars. The committee invested the money, and from that time down to the present they have used the income from it to make soil surveys in Saskatchewan. For the leader of the opposition to get up in the house to-day and try to indicate to the house that a policy evolved in this House of Commons in 1935 under the leadership of the then government was responsible in any way either for the soil survey, or for the map of it, is to mislead this house and to mislead the people of Canada. The map which was drawn up in 1935 could not possibly have been brought into existence had it not been for the fact that from 1926 to 1935 there was a constant soil survey carried on in the province of Saskatchewan. It covered, as he indicated some sixty million acres in that province, and you can go over to my office to-day in the Confederation building and see hanging on the wall one of those maps. You can put your finger on any spot in the province of Saskatchewan, note the colour of that spot on the map, and then look at the inscription at the bottom and know the type of soil that is to be found in that section of the province. I have just been handed a copy of the map.

But the investigations did not stop there; they are still going on and will go on forever. The stage at which they have reached to-day is this: Through that committee which was set up through officials of the university and officials of the department, with some assistance—slight it may be, but still some assistance from the Department of Agriculture at Ottawa, ever since the beginning of the undertaking, not in 1935, but since 1926—the government in Saskatchewan to-day is able to show you another map not only with the soil survey results indicated on it but also the rainfall over the whole province for a term of years, and related to the soil conditions. It is one of the maps that will hang in the central office at Regina, where we hope to gather all the data that will be assembled by those dealing with rehabilitation, and where it can be used for the purpose of dealing with the situation that exists in the light of crop returns, rainfall, soil conditions, and the amount of settlement there is on the land in question. That work has been going on for years and will continue whether we pass this vote or not. It does not require any money from this vote in order to continue it. As to publication of the data: the very fact that this map exists is an indication that the data has been published, and published, in many instances, with our assistance.

With regard to water development projects, as I said yesterday, that you could fly over all of Saskatchewan, Alberta and Manitoba, and looking down on those provinces, you would find that the majority of people have dams that were built and dugouts that were made long before this policy was ever thought of by the government of 1935. Again, the Minister of Finance knows, as does every member from Saskatchewan or any of the prairie provinces, that before the provinces existed, in territorial days—my right hon. friend should know it, because he sat in the house at that time—

Mr. DUNNING: He voted for the appropriation.

Mr. GARDINER: He probably voted for the appropriation, yes,—the government of the Northwest Territories had a policy for the building of dams and the digging of dugouts, and for the digging of wells; and the discussion as to where the wells should be dug became so intense that they eventually had to dig some of them out on the road allowances, to stop the discussion that was going on as to who should have the well and where it should be. We went on building dams and digging dugouts. We scarcely built a road of any length in the province of Saskatchewan at any time in the last forty years without building a dam somewhere along the road and putting a spillway in the dam and supplying water to the farmers or group of farmers living alongside, in order that they might use it for threshing or the watering of their stock or something of the kind. All western Canada has been covered by policies of that kind, initiated not from Ottawa but by the provincial governments. In other words, this is not a new thing. No one sat down in the city of Ottawa, either among the staffs of the departments or in the House

of Commons or among the ministers who constituted the government of the day, and evolved a policy out of thin air and brought it into this house and presented it to the people of Canada. Certainly no one in this house to-day has the right to claim credit for the expenditures that were made under these policies, further than this, that certain moneys were voted in 1935 to assist in carrying on.

We come then to the economic survey. Well, an economic survey has been going on ever since the time of the Hon. W. R. Motherwell. He set up the economic branch in the Department of Agriculture, and brought from the United States Doctor Booth, who had previously held an appointment in the economics branch of the university of Saskatchewan, to be in charge of the economics branch here and carry on the work. That work was going on during all the period that the last government was in power, and is still continuing. If I were to make any criticism of most of these items it might be that they have probably been put in the wrong place, in that they represent work that has been carried on right along, and while we have been spending money in that direction to a considerable extent we have been leaving undone things that would rehabilitate that section of the country.

As to the hydrometric survey: there was a hydrometric survey under the Department of the Interior right down to the time that the natural resources were turned over to western Canada. It was dropped because the resources were turned over, and the same activity has not been carried on so extensively by the provinces. There is need for further development of the hydrometric survey over that area that has been dried out. As to the other matters on which we have spent money this year but upon which little if anything was spent last year, they are only a repetition or an extension of what I have been dealing with up to the moment. I recite these facts to indicate to the house that there is not one item in the expenditures that were arranged for in 1935 which constitutes a new activity in the prairie country of western Canada.

Having made that claim, may I go back to the question of the committee that seems to have so much disturbed the leader of the opposition?

I have before me the document that was prepared when this legislation was introduced into this house in 1935. It is marked "First reading, April, 1935," and is dated April 4, 1935. Let me repeat that there never was a meeting of this committee until May 3, 1935. As a matter of fact at the time this document was prepared the committee could not have existed because the legislation had not then been passed: I refer to April 4, 1935. First, you have the act. Then you have committees, and note that it is not headed "committee," it is "committees,"—advisory committee, and the drainage or water development committee. The present bill proposes by an amendment to the section to make provision in a proper way for these committees and the organization of work.

Mr. BENNETT: Mr. Chairman, you realize, of course, that this is a document which has not been presented to parliament, it being a minister's memorandum upon which he introduced legislation into this house. I ask to have it tabled.

Mr. GARDINER: I shall table it immediately I have finished.

Mr. BENNETT: It has never been done—that documents ministers have used and left behind them should be read by their successors for the purpose of indicating what they may have had in their mind with respect to legislation subsequently brought into the house. I direct attention to that.

Mr. GARDINER: If there is any objection to my reading from it, I shall not do so.

Mr. BENNETT: It is not a question of objection. So far as I am concerned I have none. It is my duty as a member of the committee to direct attention to what has been done. I am content with whatever this committee does, because it is the judge of its own conduct and its own procedure with respect to this matter, but it must be remembered that the rules provide that a public document which is referred to shall be tabled in order that all hon. members may see the whole of it.

Mr. GARDINER: I shall be delighted to table the document, because I certainly do not want to read all of it to the committee, and it will be news to the committee.

Mr. DUNNING: Is it a confidential document?

Mr. GARDINER: Well, it is, I presume, in that case. But it is a new experience for me to find that the matter of a discussion of the legislation presented to this house by a minister is a confidential document. It might have been confidential before he brought it here, but after he has brought it here and discussed it in the house and had legislation based on it—

Mr. BENNETT: He never brought it here.

Mr. GARDINER: As a matter of fact, legislation in these exact terms is on the statute book.

Mr. BENNETT: One minute ago the minister said it is not in the exact terms, that he is trying to amend the legislation to bring it within the terms.

Mr. GARDINER: My right hon. friend may have that impression from what I said, but I certainly did not say it.

Mr. BENNETT: I understood the minister to say it.

Mr. GARDINER: I shall not read the document, but I will read the headlines of what was going to be considered under this legislation.

Mr. BENNETT: I point out that there is an elementary rule with respect to these matters that it may be important for this committee to keep in mind. We are now creating a precedent. The legislation speaks for itself. It is what this house passed. What the minister had in his possession at the time the legislation was drafted and passed must be tabled if it is to be made part of the record here, and the minister, in my opinion, may not read a portion of it. It came from his files, not from the public files of this country. It is a new departure, but if you, Mr. Chairman, think it is the proper course to pursue with reference to the business of this house, well and good.

Mr. DUNNING: There is a general rule, I think, that memoranda passing between a minister and his officers with respect to the preparation of anything that subsequently comes to the house are privileged and are not produced in the house.

Mr. CAHAN: Hear, hear.

Mr. DUNNING: It remains to be seen whether or not this document falls within that category.

Mr. BENNETT: He said what it was.

Mr. DUNNING: Well, at the moment I was not listening.

The CHAIRMAN: Order. I understood the Minister of Agriculture to say he was going to table the document.

Mr. GARDINER: I am prepared to table it and I am prepared not to read from it—either one or the other.

Mr. CAHAN: I should like, if the minister will allow me, to make one objection. Anyone who has been four or five years a minister of the crown has found in his department a great number of private memoranda, prepared by the previous ministers or their deputies, and they are regarded in the department as private. I think during the five years I was minister I could have produced, had I been prepared to do so, some private memoranda that would have astonished this parliament. It is not proper; it has never been done, and I think it is unwise to establish a precedent at this time.

Mr. DUNNING: It is a question of what it is.

Mr. BENNETT: The minister said what it was.

Mr. GARDINER: I have no objection to refraining from reading this, but I will just say that it is the whole file on the drought work.

An hon. MEMBER: It is public.

Mr. BENNETT: It is not public. That is the point.

Mr. GARDINER: As a matter of fact the minutes of this meeting would have to be quoted from this file; I do not think anyone would object to my quoting them. The minutes of the meeting of the committee are contained in this file. These letters are the deputy minister's letters. This appears to be the deputy's file, not the minister's. I presume that this particular document may be one that was sent to the deputy by the minister.

Mr. BENNETT: Do you realize, Mr. Chairman, the purport of that observation? "I presume this is a document sent by the minister to the deputy"; on that statement of facts the allegation was made that that was the minister's memorandum.

Mr. GARDINER: What is the position which the leader of the opposition takes—that this is not the minister's memorandum?

Mr. CAHAN: The objection is that it is the minister's memoranda to his deputy. It is a breach of good political morals for the minister to attempt to read from or to produce it to this house. There are certain rules of decency that succeeding ministers have always complied with in relation to their predecessors and the correspondence of their predecessors, especially that of their own deputies and clerks.

Mr. DUNNING: If it is that kind of document, what my hon. friend says is correct; but the only question in my mind is whether it is or not.

Mr. GARDINER: I presume it is a memorandum submitted by the minister to the deputy. I have never heard at any time that memoranda placed on files by ministers were confidential.

An hon. MEMBER: And deputy ministers.

Mr. GARDINER: Or deputy ministers either.

Mr. CAHAN: You will discover it.

Mr. GARDINER: I have seen them presented before public accounts committees at every session and no question has ever been raised. They are presented almost every day on orders for returns—memoranda prepared by ministers and by deputies.

Mr. CAHAN: That is a different thing.

Mr. BENNETT: A different thing altogether.

Mr. GARDINER: In any case I may refer to this file, and I can place the file on the table without reading that document. And in referring to the file I can say this. This file indicates that every matter which was eventually referred to the committee, and which has been spoken of by the leader of the opposition, was discussed prior to the committee being in existence, was to all intents and purposes decided upon before that committee was in existence, and was submitted to the committee for its consideration and consent. And I presume the committee consented to these things being done.

Mr. CAHAN: There are too many presumptions.

Mr. GARDINER: I do not need to presume, because the document is on the file indicating that these matters were discussed in Regina on May 3 and 4 before a meeting of this committee and that it was there determined that it would be a proper thing to proceed to spend moneys on these particular works. May I say in passing that a note has been placed on my desk by someone to the effect that this is a departmental file and is a public record. In order to avoid any further discussion with regard to it I have made the statement which I desired to make.

Coming back to the remarks made with respect to the appointment of Mr. Vallance, I did not expect on coming into this house, and more particularly when the leadership of the opposition is in the hands of the present incumbent of that office, to hear, with regard to a previous member of this house, a criticism of the kind that was made at the beginning of the right hon. gentleman's remarks. I am quite aware of the fact that Mr. Vallance, while a member of the House of Commons, spoke his mind with regard to public questions, irrespective of whose feelings might be hurt by the speaking of his mind. I am aware, also that during all the time he was a member of this house he spoke without fear in the interests of the people of the section of the province of Saskatchewan which he represented. And may I say, in spite of the remarks that were made by the leader of the opposition, that the part of Saskatchewan which Mr. Vallance represented previous to the last election is entirely within what I defined yesterday as a part of the drought area. Had it not been for the fine hand of those who took part in the gerrymander prior to the last election, all of the constituency in which Mr. Vallance ran during the last election would have been in the drought area, because all of the constituency he represented in this house prior to the last election was in that drought area. If part of the constituency is not now in that area it was not because of any choice on the part of Mr. Vallance, and that possibly had something to do with the fact that he is not here to speak for himself on this occasion; and when the leader of the opposition, in the light of these facts, makes an attack of the kind he made on Mr. Vallance, I am led to make this statement—that if he will go into western Canada to-day and follow Mr. Vallance over the road he has taken ever since he was placed in charge of this work, and if he will discuss his work with individuals with whom Mr. Vallance has discussed public matters with regard to the work in hand, the right hon. gentleman will find that without any regard whatever to politics, individuals throughout the length and breadth of that area will vouch for it that Mr. Vallance is one of the most energetic and enthusiastic exponents of the work that is being done under this act to be found anywhere in western or eastern Canada.

I have on my file letters which, if he so desired, I could bring to the attention of the leader of the opposition, from some of his best supporters in the southern part of Saskatchewan, telling me of the services that have been given, through organizations over which they preside, by Mr. Vallance since he took charge of this work. I may say that if there is any one in the employ of the department to-day reporting to me who is more careful than Mr. Vallance to safeguard the interests of all groups in the area of which he has charge, and this irrespective of political considerations, I have yet to find him or any record of him on our files. Those who are in charge have been in charge from the beginning, because after all

the superintendent of the farm at Swift Current was not actually in charge of this work. The man who has been in charge of this work from the beginning is Doctor Archibald, and Doctor Archibald is still in charge of the work; and after his last trip to the west he reported to me on the very fine work that Mr. Vallance was doing over the whole area. I am sure that he would be prepared to make that report to this house or anywhere else.

But the thing that surprised me more than the fact that an attack was made on Mr. Vallance, was the source from which it came. I have not a very long memory in political matters, because I try to forget the things that my opponents say about me and do to me, but I have a sufficiently long memory to take me back to the few months preceding the last federal election. I remember that just before the right hon. gentleman himself called the dominion election he appointed some seventeen persons across this country to positions far more important than that in question here, some judicial in their nature, and these men had not only run elections but some of them had not even been defeated and were still members of the house up to the time they were appointed. Also he selected men all across Canada who had been defeated just previously in provincial elections and along with the others filled judicial positions, senatorships, positions from one end of the country to the other. And may I say that so far as I am aware only one or two of them, and those for very good reasons, have been removed by the present government from the positions to which they were appointed.

An hon. MEMBER: Shame.

Mr. GARDINER: May I go further than that? After the discussion we have heard today with regard to Mr. Vallance, simply because he was a member of the House of Commons—a Liberal member, someone says; I would say a member—is any self-respecting man who has any regard for the leader of the opposition going to seek election to this house in the future? If to be elected to this house as a supporter of any political party is to be branded forever as a man who cannot give service to his country without being accused of being influenced by partisan and political considerations, if that is to be the criterion by which public men are to be judged, I am afraid there will not be very many running for public office in Canada.

During the last election the right hon. gentleman had put out on behalf of his party a picture. That picture was on the back of much of the party's literature. On the top of the picture it said, "Stand by Canada." At the wheel of the ship of state stood the leader of the opposition, with a rubber coat, a rubber hat pulled down about his shoulders, holding the ship true to its course. The inscription was, "Stand by Canada and the captain who has weathered the storm." But when you looked about the deck of the ship there was no one there but the captain. All the others had taken refuge in these positions that he had opened up here and there across the country. The right hon. gentleman ran his election all alone; we see the results of that kind of campaigning in the house to-day, and in elections to come we shall see the results of the kind of campaigning the right hon. gentleman has been doing here this afternoon.

Not only did the right hon. gentleman make these appointments of which I have spoken, but he made other appointments. He made an appointment to the body which selects civil servants for the Dominion of Canada, and he took for that purpose a member of this house. Hon. members in the house to-day have to take it for granted, whether they like it or not, that a former Conservative member of this house forgets his politics when he is administering an office of that kind. All I would ask of the leader of the opposition is that he be as magnanimous as he expects other people to be, and that when a man who has given good service to this country is appointed to an important public position, and is carrying on his work in the best interests of the people, he should be given credit for the work he is doing and not be attacked on the floor of this house with the protection that it gives. I do not mean to suggest that the leader of the opposition would not make the same kind of attack outside the house; I have no doubt he would, but I am prepared to say that this act is being administered under Mr. Vallance in as effective a way, at as little cost and with as great service to the people for whose benefit it was intended, as it could be under any other officer whom any government in Canada might appoint. I think that amount of defence is due to Mr. Vallance. In addition it is recalled that he is a Scotsman. He came direct from Scotland to this country; he went on a homestead in western Canada; he occupied that homestead and made a living on it long before he came to this house, in spite of the difficult weather conditions that prevailed in that section of the province from time to time. Such was the man who was appointed, a man with that kind of experience, a man who has been a leading

official of one of the chief farmers' organizations of western Canada, a man who never was an extreme partisan before he came to this house—if he was one when he left it must have been because of the kind of attacks he heard when he was sitting here. Mr. Vallance was one of the most independent political minds in Saskatchewan before he ran his first election, and he has remained one of the most independent political minds in the conduct of his campaigns and everything he does. He has taken on this work and is doing it well, and I suggest to the leader of the opposition that the committee provided for in the act has nothing whatever to do with either of those matters. The right hon. gentleman has taken advantage of a proposal to amend a section relating to a committee, so as to permit the setting up of more than one advisory committee, to make an attack on the management and the work that is being done under the direction of Doctor Archibald, who is the head of the experimental farms of Canada. I suggest that the committee pass the section under discussion with the amendment that I proposed at the beginning of this discussion to-day.

Mr. BENNETT: I regret very much, Mr. Chairman, that one who occupies the responsible position of Minister of Agriculture (Mr. Gardiner) should have seen fit to depart from the consideration of the bill which is before the committee and indulge in a political tirade.

An hon. MEMBER: Who started it?

Mr. BENNETT: I desire only to point out that in the reference to expenditures and to what had been done under the act I realized that the late government had very little to do with it at all. That government went out of office in August, 1935, and the statute was assented to in May, 1935; therefore they had nothing to do with the major part of the expenditures. All this discussion which has been going on to show that the new government spent more money in 1936 than in 1935 showed no more than that the government of the day spent in 1936 more than it did in 1935. I did not for a moment suggest that the late government had done more than introduce the legislation into the house. I regarded it as my duty to point out that it had worked successfully, and to do so I quoted from the report made to this house by the Minister of Agriculture, as required by the statute in question. And I did more; I read what he said with respect to these operations, not what I myself thought. In every respect in what I have stated as to the operations under the act I have been quoting from the document which was lodged in this house by the Minister of Agriculture. I know only this, for instance, that with respect to reclamations the minister makes this statement, filing it as a serious one.

> Investigations on the reclamation of land for farming purposes were started during 1935 at Melita, Manitoba, and Mortlach, Saskatchewan. Regrassing reclamation, with the object of restoring abandoned farm land for grazing is under way at several points in Alberta, and for hay production at Kerrobert, Saskatchewan.

That is a statement made by the minister, not by me. What I read this afternoon was not statements made in the heat of debate, but a solemn document the minister presented as a report of the operations of the reclamation body under the act. There it is.

I do not intend to do more than to point out that if these statements are accurate—and I assume they are—they indicate that the government has been carrying on these expenditures—not some other government; his own government. I did not suggest that the late government had made these expenditures. I was pointing out what had been spent, and how successfully it had been found the act operated. I had pointed out how ample were the provisions to enable expenditures to be made.

Mr. GARDINER: May I ask a question?

Mr. BENNETT: Certainly.

Mr. GARDINER: How many dams could be built after November 1, 1935; how many dug-outs could be dug after November 1, 1935?

Mr. BENNETT: Mr. Chairman, I am not suggesting anything about that. I am merely citing what the report indicates has been done, and the bills have been paid by the government of the day, the government in which the hon. member who has just spoken is Minister of Agriculture. That is all I have been endeavouring to say. That is all I say now.

But what I did say—and I think it is a matter of great moment to the committee—is that when there are brought into this chamber documents which indicate that they are memoranda upon which ministers prepare their bills, and when such documents are to be treated as part of the record—well, it is going a very much greater distance than I have ever gone in this chamber.

An hon. MEMBER: Public.

Mr. BENNETT: . They are not public documents. In connection with public documents, successive administrations since 1867 have taken the view that when documents

are asked for, the minister must always exercise his discretion as to whether or not he will produce them. If they are communications between the Minister and his deputy, they may be documents containing the suggestion, "Why should we not change section so and so to read so and so?"—and so on. But, Mr. Chairman, there is another matter far more important than that, and it is this, that when a bill has become crystallized into a statute, what may have been discussed between various parties before the bill became a statute can never be any part of the record. It has been a fundamental rule, in Great Britain at least, and in the high court of parliament as well, that what have been described as preliminary discussions are no part of the ultimate end. We have a statute in existence, and I am not concerned, nor is any hon. member concerned, with what took place leading up to the statute. The fact that the statute is in the form in which it is, in itself is conclusive as to what the statute is. To state what took place between the minister and his deputy, about which no one but the minister and his deputy have knowledge, and which is contained in papers that only my hon. friend can bring into the house, has never been done by any responsible, reputable minister in the history of this house, and I think such action violates every canon of decency, so far as public life is concerned. That sort of thing I do resent. I do resent it, not so far as it affects myself—I have very few years before me—but there is a House of Commons here; there is a tradition here, and for a minister to go into his room, call for the deputy's file, find there the records which successive ministers have made, saying that it would be desirable to do this or desirable to do that, and then produce them in the house, is like a man sitting at a table and retelling the conversation of other people.

Mr. GARDINER: Just a minute; on a point of order—

Mr. BENNETT: That is the position.

Mr. GARDINER: On a point of order: The right hon. gentleman is citing words which were not used by me at all. This is not that kind of document, at all.

Mr. BENNETT: Mr. Chairman, I repeat: The document was asserted by the minister himself to be a document which he presumed the minister had sent to the deputy—which he "presumed" the minister had sent to the deputy. And he had made a statement before that, asserting boldly that it was the minister. Sir, there are decencies in public life—

[Mr. Bennett.]

Mr. GARDINER: Mr. Chairman, on a point of order, again: I think the right hon. gentleman, if he recalls properly what I said, will remember that I stated "either sent by the minister to the deputy or by the deputy to the minister."

Mr. BENNETT: Mr. Chairman, the minister said, "presumed to be sent by the minister to the deputy"; it was heard by every hon. member in the house—"presumed to be sent by the minister to the deputy." And upon that statement there has been dragged out of the archives of a department a file containing all the memoranda leading up to the passing of the legislation, which file is now becoming a record on that table. The file has no value. But for purely political reasons my hon. friend has endeavoured to do something to discredit the minister responsible for the legislation. I thought parliament had not fallen to that low level. Apparently, however, it has. Why, Mr. Chairman, is there any hope for a country which could have a discussion such as we have heard, take place?

I submit it was in good order this afternoon to point out not anything against Mr. Vallance—I was careful not to say anything against him; what I did say was that a bill of this kind should be so free from any possible suspicion of political bent that it would be desirable that the man charged with the responsibility of carrying out the legislation should not be a man whose violent and known political views would make it the subject matter of suspicion. That is the question, and I repeat it, as anyone would repeat it who knew Mr. Vallance. His own friends would say so. As I say, I have for him a very warm liking, and have always had it. But I am not deterred from doing my public duty simply because I have a personal liking for him.

This is something which is not political. It is an issue which far transcends politics. It is an issue affecting the economic structure, one might say, of the whole dominion. And in an effort to ensure that there will be freedom from political bias, the minute one suggests a criticism one is attacked for having violent partisan views. I am not concerned personally about the matter, but I am concerned about some of the statements which were made with respect to the matter. The minister read from a statement made in the Regina Leader-Post long before this legislation was introduced. He says that statement embodies an official view because, he said, it agrees with what subsequently occurred. If that is to be the type of debate which is to characterize this chamber, and be in order,

where will it lead? There are rules prohibiting reading from papers, but we shall leave that aside for the moment, because there have been many rulings in this chamber and in others as well.

The article was from the Regina Leader-Post, one of the Sifton press, supporting the hon. gentleman when he was premier of Saskatchewan, supporting the Minister of Finance (Mr. Dunning), and the Liberal government of the day. In it there is an article headed, "Ottawa," with a date on it, and it is read to the house, You, sir, cannot fail to have heard the conclusions that were based upon it, attributing motives to the former Minister of Agriculture, and then supporting them by dragging out a file from the deputy minister's office and reading from it all the communications which took place as to the preparation of the legislation.

Mr. DUPUIS: Well done.

Mr. BENNETT: Where does that lead? Where does it lead? I submit that what we have heard this afternoon has been a political discussion, pure and simple, endeavouring to suggest that because observations, by way of criticism of certain conduct in connection with the legislation, were made, as to the appointment of Mr. Vallance, therefore I was endeavouring to have it appear that the late government was entitled to all the credit. I made no statement of that kind, nor did I suggest it. I repeat that what I did point out was what this report filed by the minister says. I was conscious of the fact that the new government had control of this matter, that the old government barely organized it and then left it for its successors. If the genesis of the idea was somebody else's, do I regret it? Am I endeavouring to lessen their prestige or their authority for having done what they have? Am I criticizing the fact that Mr. John Bracken called a meeting and came and addressed some clubs in eastern Canada? Did I suggest that because the present Minister of Agriculture, who was then premier of Saskatchewan, called a meeting at Saskatoon, he should be denied credit? Have I suggested anything about that? Have I suggested anything about what Mr. Reid or Mr. Bracken had to do with it, or that the three of them sent telegrams to the Minister of Agriculture? Am I concerned about that? I am not. Why drag that into this issue? Did I suggest that anybody had a copyright on this idea? Did I suggest that anyone had a monopoly of thought with respect to it? Efforts were made in 1935 to have a united house with respect to this matter. We endeavoured to have a united front and the reason why we chose the chairman who was chosen was to try to get this matter out of politics.

I leave it to anyone to traverse the record of this afternoon and read the speech of the Minister of Agriculture. It commences with an effort to magnify the importance of himself and Mr. Bracken and Mr. Reid with respect to this legislation. Telegrams—mark you, these are not public documents—which have never been brought before this house were taken off the files—

Mr. GARDINER—What are files for?

Mr. BENNETT: To lay before the public and not to be used by a minister for his own credit and benefit.

Mr. GARDINER: They are being laid before the public.

Mr. BENNETT: That is the position. They are dragged in for the purpose of magnifying the importance of these three persons. I have not said anything to minimize their importance and I have not said anything to indicate that the idea was trade-marked, far from it. Had I challenged the fact that we had a hydrometric survey in this country? Had I challenged the fact that reclamation work had been carried on prior to the time that the hon. member for Melville (Mr. Motherwell) had anything to do with the west? Had I challenged the fact that from the very start of western Canada, from the days when Sir William Van Horne had to offer a price for wheat in order to get reasonable competition for the farmers, successive governments have been making efforts to improve the conditions of those who are in that part of the country? To place blame or to attach merit was not my purpose. I defy anyone who reads what I said to find therein any indication that I endeavoured to blame this government. On the other hand, I had in my poor, feeble way endeavoured to approve what they had done under this act, and to show that the act was ample for the purpose. I endeavoured to show that they had made these expenditures and I did not suggest by word or thought that the expenditures had been made by anyone else. I suggested that they had found the act satisfactory for the purpose. I think this disposes of the early part of the speech.

What was the next part? An effort was made to show that in the preparation of the legislation there were many thoughts in the mind of the minister and the allegation is made that the minister was responsible for the memorandum. First of all, there is the presumption, and finally the statement was made that it was either one way or the other,

either the deputy to the minister or the minister to the deputy. One who has any knowledge of the preparation of legislation should know that usually the deputy minister and his expert opinion are there for the purpose of indicating to the minister just how what he has in his mind may best be made effective by legislation. We are not concerned about what may have been in his mind. This is the legislation assented to on April 17, 1935, being chapter 23. Section 7 reads:

> The governor in council may make such regulations as may be necessary or expedient for the effectual execution and working of this act and the attainment of the intention and objects thereof.

Section 9 reads:

> The minister shall annually lay before parliament a report of all proceedings under this act for the preceding fiscal year.

Relying upon the regulations as being ample to meet the objects he had in mind, relying upon the report as being within the act, I have, in terms of approval rather than censure, merely indicated what it has been possible to accomplish. That disposes of that.

I claim the right, which every member of this house has, to criticize the appointment of any person to the public service. The minister attacked the appointments made by the late administration and he was within his rights in so doing. But he was not dealing with the specific case of a man appointed for a specific purpose. I pointed out that efforts had been made to remove from politics this matter of such great importance to the whole of Canada, the rehabilitation of the devastated areas, if I may use that term. I have nothing to withdraw in having stated that I thought it was a capital mistake to have appointed Mr. Vallance to that position. I have not complained that defeated candidates have been appointed to positions. I have not complained when it was thought necessary to appoint Mr. Young of Weyburn or Mr. McKenzie or Mr. Somebody Else. What I have pointed out is that the nature of the observations made in times past in this house by Mr. Vallance with respect to his political opponents would tend to create a lack of confidence in his administration of the act. His disposition was genial, friendly and humorous; he was always ready to discuss politics with those with whom he came into contact, to belittle, usually in reasonable terms, those opposed to him and to support by every means in his power his own political views. That he is capable of much exertion, no one has denied, for most of us have heard him sing in this chamber. That he is capable of much effort, there has never been any question, but that his efforts should be directed to this particular point is a question about which I think differences of opinion might exist. I have expressed myself with great freedom without in any sense attacking Mr. Vallance, for whom I have a very warm regard, and whose relations with me personally have always been friendly. I say that with great frankness, but I repeat that he is not the man to rouse public confidence in connection with the administration of an act which covers so wide an area and which affects so many people.

There is one more point to which I desire to refer. The minister read a statement from the Leader-Post to the effect that it was proposed to carry on these operations in a federal way and that that was the first time it had been suggested that cooperation between the provinces and the dominion was unnecessary. The correspondent of the Leader-Post may or may not have been the gentleman who usually did his work from the press gallery. That gentleman had been correspondent for the Winnipeg Free Press. He has since been transferred to London, and if you read some of his dispatches you will see that they have the same political colour as those he sent from Ottawa. I only desire to say that his statement that cooperation between the dominion and the provinces was undesirable or unnecessary cannot be answered better than by the legislation itself. The whole purpose was that the provinces should be represented and it was provided that the advisory committee should contain representatives from the three provinces, Alberta, Saskatchewan and Manitoba. Those three provinces were represented on that advisory committee.

The minister has said that the advisory committee had a meeting in May and that the minutes of their meeting are available. I expect to get the names of that committee on Hansard before we get very much further. At the moment I only point out that the work which was done was work done with, on the one hand, representatives of the provinces and, on the other, with representatives of various enterprises which were provincial in character—representatives of the farming interests and of the ranching interests and so on, from each of the three western provinces —and two representatives of the Department of Agriculture. Now, is it quite right, Mr. Chairman, to leave the impression that ministers who may never have seen the dispatch in question and who were offering to this house legislation providing for the most careful cooperation, should be charged

with having said that the work was to be federal without provincial cooperation? There is no doubt that this house, in 1935 and in the years preceding that, regarded the situation in western Canada as being of a national matter. It was felt that the provinces themselves could not carry the work through, and the dominion undertook the sole responsibility of providing relief for them, for Saskatchewan in 1930-31. And the house generally on all sides, without regard to politics, expressed approval of a statement which I made from my place yonder that we must regard this as a national calamity and a national emergency. When we undertook, as we did by the statute in question, to assume the responsibility in its entirety we did so with a clear understanding that any action which was taken should be supported by an advisory committee upon which the provinces had a preponderant position, for they were provincial organizations, and the provinces themselves had control.

The minister closed his observations by saying: Some people thought thus. And he read from the Leader-Post, to prove that some people thought thus. The correspondent of the Leader-Post, who was an exponent of doctrines opposed to the government of the day; the Saskatoon paper, the Regina paper, and the Winnipeg Free Press expressed opinions that "some people thought thus." Well, it got down to one man, and that is the correspondent. Now, Mr. Chairman, I submit that is not the sort of observation which makes any advance in the carrying forward of legislation of this kind. Was it serving any purpose to drag into the discussion these matters? I think not.

There is one matter further I desire to mention, and that is this. I have not personally any interest in the fact that members here may, the minute the minister rises in his place, cheer him on the assumption that I am dealing with a purely political matter. I have said in this house, and I have said out of it, that I am impressed more than I have ever before been in my life with the seriousness of the problems which confront Canada, and to the extent of my ability I endeavour to give what service I can by attending in this chamber day after day. I am paid for that, and I endeavour to earn my pay. But when I do that, I do not thereby in any sense limit my right to make certain criticisms which I believe to be in the public interest, and I have not descended to the personal in the criticisms which I have offered. If I have to say that I believe the appointment of Mr. Vallance was a bad one, I gave the reasons for saying so, and they were not personal, not at all.

The fact that I was head of a party which ran in the election and was not successful is patent to all. The fact that we are few in numbers is patent to all. But the fact that the government of the day did not have a majority of the electors is known to all.

An hon. MEMBER: Oh.

Mr. BENNETT: Is it possible that there is someone who did not know that. I would hardly have thought it possible.

Mr. LAPOINTE (Quebec East): We are quite satisfied with the result.

Mr. BENNETT: Oh, quite; I can appreciate that. The hon. gentleman would be very hard to please if he were not satisfied.

Our institutions, Mr. Chairman, can survive only if there is free criticism, if the checks and balances belonging to the party system are used by which the conduct and actions of the government of the day are subject to the closest scrutiny and criticism of those who do not view them in the same way as the government do. But if hon. gentlemen opposite, with the approval of a great majority, think they are advancing the cause of democracy by personal attacks and by endeavouring to hold up to ridicule particular individuals, all I can say is that they do not get far that way in the end.

Mr. DUNNING: Hear, hear.

Mr. BENNETT: And the last man that should do that sort of thing is the man who just says, "Hear, hear." I challenge any member of this house who will take the trouble to read the discussion this afternoon to point to a single observation I have made that was not wholly within the right and duty of anyone whose business it is to subject to scrutiny and analysis the measures submitted by the government and the operations carried on under the measures which are on the statute books. Mere criticism of a man who holds a job is now taken to be a reflection on the House of Commons. If I took the trouble to point out to hon. gentlemen opposite the debates of this house in days past with respect to appointments, I could show a record on the part of my friends opposite that would indeed, applying the standard just mentioned by the minister, leave them in a sorry plight. But to point out that we are dealing here with a vast expenditure and operation, the success of which depends upon a fair administration, and to say that a strong partisan is not the best man to appoint as administrator, without in any sense detracting from his qualities or fitness except to say that it is not for the benefit of the country that that appointment should be made—that is not un-

fair criticism. I think it is fair and proper criticism, and such as has been indulged in in this house by great leaders in days past. I do not pretend to be one of them, but if one reads the speeches of Sir Wilfrid Laurier and other great leaders then one will have a clear appreciation of what I mean. One may have the warmest personal regard for people, but that cannot take from one the responsibility and duty to point out that it is not in the public interest that they should get a particular position where their appointment would affect adversely the successful operation of a statute.

I repeat again, Mr. Chairman, that the minister has not explained why he is dispensing with this advisory committee.

Mr. GARDINER: I have repeated so often that I am not dispensing with it that I do not think it is necessary to repeat it again.

Mr. BENNETT: The minister has repealed the provision providing for their appointment and operation under the statute. The Minister of Justice (Mr. Lapointe) is present. I challenge him to say that under this statute the advisory committee does not go out of existence the minute the bill is assented to.

Mr. GARDINER: If the hon. gentleman will permit me, the legislation provides that I may appoint any committee, and surely under that provision I can appoint this committee if I desire to do so.

Mr. BENNETT: Mr. Chairman, is it quite as bad as that? I asserted a moment ago that this statute beheads the committee. The minister rises and says: I have said so often that it does not do so that I do not desire to say it again. I challenged the Minister of Justice to say that the statute does not wipe out the committee. And then the Minister of Agriculture rises in his place and says: Well, I can appoint them. Of course he can, but they are gone when this measure is assented to. Why do you destroy this advisory committee? There has been no answer to that yet.

Mr. GARDINER: Why have a discussion of two or three hours over the fact that this committee may be out of existence for twenty-four hours and then be put back in again.

Mr. BENNETT: Mr. Chairman, can you conceive any reputable minister suggesting that he is going to destroy a committee, and twenty-four hours later put it back again? I put that to this committee. The minister says: Why have a discussion, because I may put the committee back in again? Now he admits it is gone; a few minutes ago it was not.

[Mr. Bennett.]

Mr. GARDINER: I have not time to quibble about such small points.

Mr. BENNETT: There again you see, when you have put a question, it is quibbling. It is quibbling because I say the committee is gone. The minister says it is not. Later he says he can reappoint it. I ask, why is it being destroyed? I cannot get an answer, although it is not an unreasonable question to ask.

Mr. GARDINER: Because it is not being destroyed.

Mr. BENNETT: Now it has got back to the point that the committee has not been destroyed. I should like to see that on Hansard, because—

Mr. GARDINER: It will look well on Hansard.

Mr. BENNETT: It certainly will, when the minister says it has not been destroyed, and then says, "I have not time to waste on it, because I can put it back in twenty-four hours." Take the section and tell the chamber whether or not the result of that section is not to destroy the advisory board, wipe it out. Why should it be destroyed? That is the question. I want an answer and I cannot get an answer. The minister says it is not destroyed. When I say the Minister of Justice or anyone else who can read the English language will tell him that it has been, he says, "I can put it back in twenty-four hours." After the speech to which we have listened this afternoon, I think it is more important than ever that we should have an answer. If this was a body of men not governed by political considerations, would they not want an answer? If they were shareholders in an organization, would they not want an answer if their board of directors came forward and said, "We want to do this"?

Mr. GARDINER: It would not even be discussed in a directors' meeting.

Mr. BENNETT: Well, it depends entirely upon the kind of business of which a man is director and his conception of his duties as such. I ask again, why has this committee been destroyed, and I have no answer beyond the statement that it has not been, and then the statement that it has been and that they can replace it in twenty-four hours. Do we want to make legislation ridiculous by wiping out the committee with one hand and putting it back with the other? That is the question.

Mr. YOUNG: It had not been my intention to say anything in the discussion of this bill, until this afternoon, when we heard what

I consider to be an unwarranted attack on a gentleman who was formerly a member of this house, a man with whom I had the privilege of sitting in this chamber for many years, and who sat afterwards for five years later than I did. Mr. Vallance is a farmer. He was a homesteader. He was living in an area of the country affected by this legislation. He is a man probably as well acquainted with the work that is being undertaken as any man in the area who could be selected. The leader of the opposition (Mr. Bennett) professes great personal regard for him; one might say, "greater love hath no man" than he expressed for Mr. Vallance. But apparently there was some other reason why Mr. Vallance would not be a fit and proper person to occupy that position, and that reason was given by the leader of the opposition, because he stated that Mr. Vallance was really a partisan. As the Minister of Agriculture (Mr. Gardiner) stated this afternoon, there is no man in Saskatchewan who has been more independent than Mr. Vallance in stating his views on all questions, whether within or without the house.

But let us assume that the reason given by the leader of the opposition is why he thinks that Mr. Vallance should not be chairman. I ask the leader of the opposition this question, has he been informed during this year by people in the area which Mr. Vallance has endeavoured to serve that they have found him to be an active political partisan, or has he been doing the work that is entrusted to him? I have been over that area; I have travelled hundreds of miles through that country, and I have yet to hear anyone make a suggestion that Mr. Vallance is playing politics in even the remotest way. On the other hand, I have heard from many that he is doing the job in the best way that it could be done. Is that the reason it has been suggested that he is not a suitable man for the work? Because a man sits in this house, is he thereby unfitted to occupy thereafter any position in the service of the government?

Let us look at the situation. I sat in this house with another gentleman, of whom I wish to say nothing but the most kindly things; he sat on the other side, and he was made deputy minister of Marine and Fisheries. I say nothing more than that.

An hon. MEMBER: Was he a fisherman?

Mr. YOUNG: I am not saying whether he was qualified or not qualified. I merely make that statement. During the last five years an hon. member occupied a seat on the Conservative side as a supporter of the leader of the opposition. Where is he to-day? If there is one appointment in the service of the dominion whose incumbent should be above political partisanship, it is that of a member of the civil service commission. The man to whom I have referred is a member of that commission. I am not stating that he is fair or unfair. I merely say that he holds that position and that he is a former Conservative member of this house.

A few nights ago, when the estimates of one of the departments were brought down, the leader of the opposition saw fit to remark that there was one official who apparently was not very well known to his minister. At that time the Postmaster General's estimates were before the committee. Every hon. member saw that the assistant deputy postmaster general was seated in front of his minister, and I think those who have been here for a number of years will recognize that we had in the person of that official one of the ablest men in the public service of Canada. I want to ask who appointed the deputy postmaster general, another gentleman who sat in this house on the Conservative side during the last five years as a follower of the leader of the opposition. Is the post office service in Canada an important service? I suppose there is no hon. member who will deny that it is one of the most important services carried on in the dominion. More than that, I believe every hon. member and every person outside the house will agree that one cannot become, without a great deal of experience, an efficient servant in a very important branch of the service. Yet we find that a former Conservative member of this house was placed, without having had any previous experience, in the important position of deputy postmaster general.

I come now to the tariff board, which is supposed to be of some service to this country, and what do we find there ? Another gentleman who sat in this house when I was a member. If I were to refer to him as a political chameleon, I believe I should be pretty accurate. No man knew where he stood. He was all things to all men.

An hon. MEMBER: Until the vote came.

Mr. YOUNG: Until the vote came. If one goes over the records of this house and parliamentary guide, one can find, as far as I have been able to discover, no other instance where a man represented himself to be a Progressive and added the words, "previously Liberal." Everyone knows that the hon. gentleman never was a Liberal, and had it been known in his constituency that he had been a Conservative all the time, he could never have represented it in this house. To what position

was he appointed? To the tariff board. I say to this government that if there is anything more ridiculous that I can think of than their keeping a man of that type on the tariff board, I do not know what it is.

I am inclined to think the leader of the opposition does not really like Liberals. Before this house organized itself, there were a number of members who sat here for many years, and some of them occupied very important positions. They were known to have taken part in public life, and the very first thing we had, something I regretted very much and I have no doubt the right hon. gentleman regrets it to-day, was a serious reflection on the hon. gentleman who is Speaker of the house. The same thing is true with regard to yourself, Mr. Chairman, and now we find it true of our friend Mr. Vallance. I am not saying some of the gentlemen appointed by the right hon. gentleman were not honourable men, but it ill becomes the leader of the opposition to single out Mr. Vallance and hold him up to scorn because he once happened to be a Liberal, when the right hon. gentleman himself, if it was a crime to make such an appointment, was guilty of the same thing time and again. The discussion this afternoon has been unfortunate in some respects, but there is only one hon. gentleman in this house who is responsible for initiating that discussion and that is the leader of the opposition.

Mr. COLDWELL: Might we have repeated now the suggestions made by the Minister of Agriculture about two and a quarter hours ago? We ought to get back to the bill.

Mr. GARDINER: My suggestion was that we revert to section one of the bill, the new section 3 of the act, subsection one. I propose that it should read:

> The governor in council may establish one or more advisory committees to be known as prairie farm rehabilitation committees, the members of which shall hold office during pleasure.

And the next subsection should read:

> One of the members of each advisory committee shall be appointed chairman thereof by the minister.

Mr. COLDWELL: Will there be one central committee? Will the chairman of the several advisory committees constitute a central committee? It seems to me it is important that there should be one committee responsible to the minister.

Mr. GARDINER: Yes. There will be one central committee, but it may not necessarily be exactly the same personnel as the present one. There are obvious reasons for that. That committee saw fit to agree to there being at least two other committees, one being a committee to deal with water and another to deal with re-grassing. We desire to have that sort of committee appointed in the same way as the central committee is appointed to act. There is another committee that has been in existence. On this committee the three western provinces are represented. Only one exception could be taken to the appointment, following the remarks made this afternoon, and that is that Mr. Vallance was chairman of that committee. The provincial governments of Alberta, Manitoba and Saskatchewan have each a representative on that committee, and that committee is a much smaller one and can be got together more easily than a committee spread all over Canada. If there is any objection at all, it can be only with regard to that one committee. I believe all the members of that committee are employees either of the dominion government or of one of the provincial governments. Mr. Charlesworth of Alberta, Mr. M'Gavin of Saskatchewan and Mr. Attwood of Manitoba I think are on that committee, and these men were all originally members of the staff of the Interior department at Ottawa. Mr. Vallance simply sits as chairman at meetings which are held for the purpose of discussing the activities of the committee.

Mr. COLDWELL: Are these to be regional committees or will they have charge of various phases of the work? The minister mentioned the question of water, for example.

Mr. GARDINER: In checking the matter up since last evening and discussing it with officials who have been more closely connected with the administration than I am personally, I am informed that what was said a few moments ago by the leader of the opposition is correct, that so far as the voluntary committees in the country are concerned, no legislation is required, and we do not desire to have the authority to name the chairmen of these committees. They are named by the farmers themselves.

The CHAIRMAN: I take it that the amendment is that the word "advisory" shall be inserted before the word "committees" in the eighth and eleventh lines.

Mr. LAWSON: Listening to the amendment proposed by the minister, I suggest that all it accomplishes is to change the name of the committee. It makes no change in the principle of this section of the present bill as originally introduced by the minister. Does the minister agree with me?

Mr. GARDINER: It changes it to this extent, that we cannot appoint an administrative committee under this section. I take it that one of the objections of the leader of the opposition was that we should not have administrative committees appointed in this way.

Mr. STEWART: I listened with a good deal of interest to the minister this afternoon, and, when he finished, the situation seemed to me to be very much confused. One part of his argument seemed to me to prove that all that was being done under this act had been undertaken, was initiated, or was under way, and that this act was unnecessary to accomplish what was being done under it. He went away back into history, starting at the beginning, to tell what had been done by the provinces and the organizations they had set up, and in my opinion he minimized the value of this act. In fact, he almost led me to conclude that he ought to be asking for the repeal rather than for the amendment of the act.

This act was drafted with great care and a special advisory committee was set up. We have asked the minister on different occasions to give us the names of those who were appointed to this committee. We have not received that information and I repeat the request. On the other hand, when we make reference to the report of this advisory committee, we find that a great deal has been accomplished, that it has really done wonderfully well in the short time of its existence. The act was not passed until April, 1935. Evidently some things that were done in 1936 could not have been undertaken in 1935 owing to the lateness of the season—seeding and that sort of thing. Then again it was necessary to have the committee organized. All that had to be done in 1935. Really I think the committee has accomplished a very satisfactory result. Its activities were based upon this act and upon the provisions of the Supplementary Public Works Construction Act of 1935. So, on the whole, I think this committee of the whole must come to the inevitable conclusion that the results of the legislation have been very creditable, very satisfactory indeed. Then the question naturally arises, why make any change when so much has been accomplished by the machinery which has been set up. It is not suggested that two committees can do more than one. In fact, there is likely to be confusion, conflict and division of responsibility. Under the act as it at present exists, there is no difficulty in subdividing the advisory committee by regulation or otherwise, and having the members undertake special studies of any particular subject. I should like the minister to give the names of those who are on the advisory committee.

Mr. GARDINER: Doctor E. S. Archibald, Ottawa, chairman, Dominion Department of Agriculture; James H. Girvin, Medora, Manitoba grain growing farmers; Olaf Nyland, Shaunavon, Sask., Saskatchewan grain growing farmers; P. C. Colquhoun, Maple Creek, Sask., Saskatchewan live stock farmers; Leonard Koole, Monarch, Alberta, Alberta grain growing farmers; R. P. Gilchrist, Wild Horse, Alberta, Alberta range farmers; Professor J. H. Ellis, Winnipeg, government of Manitoba; Dean A. M. Shaw, Saskatoon, government of Saskatchewan; O. S. Longman, Edmonton, government of Alberta; E. W. Jones, Calgary, Canadian Pacific Railway Company; Doctor W. J. Black, Montreal, Canadian National Railways; F. J. Freer, Winnipeg, mortgage companies of Canada; Doctor E. S. Hopkins, Ottawa, Dominion Department of Agriculture; B. P. Alley, Toronto, Canadian Bankers' Association.

Mr. Alley was the only member of the advisory committee unable to be present. There were others present at the meeting, but those are the members of the committee.

Mr. STEWART: I think the reading of that list of names is sufficient to convince the committee that it is a thoroughly representative, non-political, efficient and capable committee. I do not think the minister for a moment contends that he can improve upon the personnel or nature of the committee. He has given no good reason why this committee which has accomplished so much should be set aside. The minister says, "I may reappoint them." But why set them aside if he intends to reappoint them?

Mr. GARDINER: I think I stated more than once yesterday that I have no present intention of having any different central committee from the committee named. But there is the possibility that I may have to appoint someone else because of the wishes of some members of this committee, in view of the work which is to be done this spring.

Mr. STEWART: Does the minister contend that under the legislation as it exists, he has not the power to fill any vacancy?

Mr. GARDINER: No, but I contend that this summer we may be doing something so related to some of these organizations as to make their representatives desire not to be on an advisory committee in connection with it.

Mr. STEWART: The minister is crossing a bridge long before he comes to it.

Mr. GARDINER: Oh, I shall come to it.

Mr. STEWART: Yes, I think the minister is anxious to get to the bridge, but his statement indicates that he is setting out to cross it before he arrives. He suggests that possibly some of these men may not be willing to act, but surely it would be time enough—

Mr. GARDINER: Well, it may be the other way around; I may not wish them to act. I am sure if those conditions arose, they would not wish to act. The railway companies still have considerable interest in lands all over that country; the banks have an interest in lands all over that country, and so have the loan companies. Surely it is not contended that if we should be dealing with the resettlement of people on lands in which the banks and railways and loan companies have an interest, their representative should be on the advisory committee in connection with those activities. There is the possibility that we may not wish them to be on it, and the possibility that they would not wish to be on it. We wish to have power to change if we desire.

Mr. STEWART: The minister has it now. Can the minister suggest any gentleman more capable of giving good advice than say Doctor W. J. Black—

Mr. GARDINER: No.

Mr. STEWART: —who is familiar with the development and has long been associated with settlement work. Surely the magnitude of the interests of these corporations justifies their being represented on the committee. And the basis upon which I take it other members are appointed to this committee is that they are interested in and affected by the work of the committee. Why should not the railways and the mortgage companies, which have a very substantial interest, be represented on the committee in common with those who have equal interests and must be just as much concerned in the proper development of that part of Canada as any citizens? They have a special interest and a general interest.

Mr. GARDINER: There is no objection to any of these men individually. For such work as I have been speaking of, there would, I think, be no desire whatever on the part of either the individuals concerned or myself for any change. But if we do start the kind of work I outlined a moment ago, I think both those organizations and the department would desire to have a different type of advisory committee. We might want to have represented on that committee the municipal organizations, if we are going to ask such organizations to cooperate with us. If dealing with lands which really belong to the people named here, I think it would be advisable to have on the committee, say the representatives of the municipalities rather than the representatives of these companies. We would be sitting around a common table discussing what we are going to do; when we get to a certain point we may want to discuss the matter with the advisory committee, and you have on the committee the same individuals as you have represented in your discussions. That condition might easily arise under the arrangement in the present act.

Mr. LAWSON: I want to come back to the question I raised with the minister before in respect to the proposed amendment. He pointed out that his amendment would have the effect of confining the activities of the committee to be appointed to those of an advisory nature. I sent for the act, and I direct the attention of the minister to section 7, which provides that:

> The governor in council may make such regulations as may be necessary or expedient for effectual execution and working of this act and the attainment of the intention and objects thereof.

That is a very broad omnibus section which, I submit, would entitle the government, by order in council, to vest in the committee any power which it desired within the ambit of the statute. Merely changing the name of the committee by inserting the word "advisory" will not accomplish the purpose which he ostensibly desires to accomplish, and which he says he desires because of a defect in the amending statute, as pointed out originally by the leader of the opposition.

Mr. GARDINER: Of course, there is section 5, which pretty well takes care of what the hon. member has in mind. It states:

> No member of the committee shall receive any payment or emolument for his services, but he shall be repaid all actual reasonable travelling or other expenses in connection with the work of the committee.

Mr. LAWSON: No, no; I have not anything of that kind in mind. I have in mind what the minister said he wanted to accomplish.

Mr. GARDINER: This is not my suggestion, at all.

Mr. LAWSON: May I make myself clear, because I think the minister misunderstands me. I shall try to do it briefly. The minister proposed an amendment to the bill—

Mr. GARDINER: No, I did not; it is proposed from the other side of the house, and I am trying to amend the bill to suit them.

Mr. BENNETT: Oh, no; that is not what I proposed, at all.

Mr. LAWSON: I shall have to go over the subject in greater detail. Yesterday the leader of the official opposition suggested to the minister that his bill, now before the committee, should be constructed and worded so as to accomplish a certain purpose. The purpose was that the committees to be appointed should be limited to being advisory committees. To-day the minister says he will do this by amending the name of the committees, by calling them "advisory committees." The point I am trying to make is that the amendment will not accomplish the purpose the minister himself says he desires to accomplish, in order to meet the point raised by the leader of the opposition.

I do not believe section 5 touches the point at all. I am not considering whether they can or can not be paid, or whether or not they receive travelling expenses. That is not the point. The point is this: Is it to be limited to an advisory committee, or is it to be a committee not limited to act in that capacity? I do not think the amendment accomplishes the purpose.

Mr. GARDINER: As I understand the discussion, advisory committees would be committees which we could call together from time to time, and from which we would get advice on policies we may have under consideration.

Mr. LAWSON: Yes.

Mr. GARDINER: The principle of the bill as I understand it, as it was originally provided and finally became law, is that no member of the committee shall receive payment or emolument. I believe the intention was to get the type of individual who would give service of this kind without consideration. If the act is amended, as now suggested, and the committees are all made advisory committees, then each of them would be of that nature. That is the only change I see which would be made by adding the word. That is, we would be compelled to appoint men who would not receive pay for their positions, and would be called in merely for the purpose of giving advice.

Section 7 reads:

> The governor in council may make such regulations as may be necessary or expedient for the effectual execution and working of this act and the attainment of the intention and objects thereof.

That would apply to all the actual administration under the act. Under the act as it was originally passed, we are not bound even by the advice we get from these committees.

Mr. LAWSON: The minister, in the statement he has just made, has supported the very contention I am making. He said the regulations they could pass under section 7 would deal with the administration of the act. All right. Now that, he says, is something which he does not want the committees to have power to do, namely to perform administrative functions. He wants them limited to being merely advisory.

Mr. GARDINER: No, not—

Mr. LAWSON: And I say that because section 7 gives power by order in council to confer upon them administrative functions, he is not accomplishing the purpose his amendment is intended to accomplish. That is the only point I am trying to make.

Mr. GARDINER: I would prefer to have the bill as I introduced it yesterday. I do not think it has the weaknesses which have been pointed out. But in order to try to meet those who have been criticizing, I am prepared to insert the word "advisory," and to confine those sections of the act to an advisory committee. I do not think anyone would suggest that we could carry on the whole administration of the act under a committee of that kind, and ask them to do all the work in connection with it. The proviso would have to be in any act. I do not know how we would proceed if we took out section 7 and made the whole thing advisory. I do not see any difficulty about leaving section 7 in, and having these advisory committees to call in at any time so that we may discuss with them whether or not we are proceeding in the right direction.

Mr. LAWSON: I am not suggesting that the minister should take out section 7. I wish merely to put myself clearly on record to the effect that the amendment now proposed by the minister will not accomplish the purpose he would like to accomplish to please this side of the house, or to please anybody. I feel it my duty to call that to his attention.

Mr. BENNETT: If the minister will be good enough to look at his initial statement, he will observe that he said he desired to provide for the appointment of committees, other than advisory committees.

Mr. GARDINER: Yes, but my right hon. friend—

Mr. BENNETT: That is what the minister said.

Mr. GARDINER: But my right hon. friend has been trying ever since to convince me that that was wrong. Is he now going to condemn me for changing my mind on it, after three or four days of discussion?

Mr. BENNETT: I pointed out that section 7 was employed for that purpose, namely to appoint administrative committees, because section 7 provides for the appointment of committees to administer the act. This afternoon the minister takes that view, but he suggests that I was anxious to support the appointment of another advisory committee.

Mr. GARDINER: No.

Mr. BENNETT: That is not my intention, at all. I would only have to point out that if the word "advisory" is put before the word "committee," it does not follow my suggestion. The effect of it would be to give a provincial bent to the operation of the committee, because if you are going to have more than one committee they may not agree on their advice. The whole theory was for one advisory committee, and to call all other committees you may like under section 7. The effect of the bill is to repeal section 3. It states, precisely:

Section 3 of the Prairie Farm Rehabilitation Act, chapter 23 of the statutes of 1935, is repealed, and the following substituted therefor.

That is the position. The minister states he is trying to meet our views, but I am sure he is mistaken as to that because I never have suggested at any time that there should be two advisory committees.

Mr. GARDINER: I would not suggest that I am going so far as to cut it down to one committee, but I am prepared to make all committees advisory in the sense that the first one was advisory, and to have it controlled by the fact that we cannot pay them emoluments of office.

Mr. BENNETT: The difficulty I pointed out yesterday was that if you have more than one advisory committee your advice may not be the same. You have too much advice, because you have advice from several committees.

Mr. GARDINER: If I had been permitted this afternoon to read from the files I could have cleaned up that point. One of the first things the committee did was to recommend that two other committees be appointed.

[Mr. Gardiner.]

Mr. BENNETT: The minister is quite within his rights to read the minutes of the meeting. The fact that they are on the file has nothing to do with it; they are supposed to be somewhere else. But he should read the minutes of the meeting, if he so desires.

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

After Recess

The house resumed at eight o'clock.

Mr. SPEAKER: The business under private and public bills having been disposed of, the house will resume consideration in committee of Bill No. 18.

PRAIRIE FARM REHABILITATION ACT

The house resumed consideration in committee of Bill No. 18, to amend the Prairie Farm Rehabilitation Act—Mr. Gardiner—Mr. Sanderson in the chair.

On section 2—Duties of committees.

Mr. BENNETT: Do I understand that this clause is amended to read, "The advisory committees shall consider and advise"? Is that what is proposed?

Mr. GARDINER: That is the intention, yes.

Mr. BENNETT: I can only say that that does something which I did not contemplate would be done, and which I hardly think anyone contemplated being done. This creates more than one committee of the same kind which may or may not give similar advice with respect to the problems to be considered. This creates a situation which I do not think the minister had in his mind and which I certainly did not have in mine. Will the word "advisory" be added before the word "committees" in the last line?

Mr. GARDINER: It will be added in each line where the word "committees" appears.

Amendment agreed to.

Section as amended agreed to.

On section 3—Committees.

Mr. STEWART: Is there an amendment to this section?

The CHAIRMAN: The word "advisory" is to be added before the word "committees" in the second line.

Mr. GARDINER: The word "advisory" is added before the word "committees" wherever it appears.

Amendment agreed to.

Section as amended agreed to.

On section 4—Appropriations.

Mr. GARDINER: I think the suggestion made by the leader of the opposition in connection with section 4 is that it should read in this way:

> The governor in council may from time to time authorize the expenditure in each of the fiscal years from and including 1937-38, up to and including the fiscal year 1939-40 for the purposes of this act, such sum or sums as may be appropriated by parliament in each of the said fiscal years respectively, for said purposes.

That is, the words "from time to time" are to be added after the word "may" in the first line.

Mr. BENNETT: I am not quite sure that is the way in which the minister would desire to have it. I would think the proper phrasing would be:

> The governor in council may from time to time authorize the expenditure for the purposes of this act in each of the fiscal years—

That is, the expenditure would be authorized for the purposes of the act.

Mr. GARDINER: There is no objection to that.

Mr. DUNNING: The right hon. gentleman's amendment is intended to make plain the normal procedure in such cases.

Mr. BENNETT: Yes, quite. While the amendment is being prepared, I should like to make one observation with respect to the statements made to this committee this afternoon by the hon. member for Saskatoon (Mr. Young) with reference to a member of the tariff board. Mr. Campbell came into this house in 1921 as a supporter of the present Minister of Mines and Resources (Mr. Crerar). Mr. Campbell was then a Progressive and continued as such, so far as I know. I mention this merely because the records in the journals of the house do not indicate what has been said here. I understand the Minister of Mines and Resources is regarded as a Liberal and Mr. Campbell came into this house in 1921 as one of his ardent supporters and continued as such, so far as I know, until he was appointed to the position which he now occupies.

I may say that the attack which was made upon the deputy postmaster general could have been made with equal force upon the late Sir Wilfrid Laurier who appointed Doctor Coulter to the position of deputy postmaster general. Doctor Coulter was regarded as being a most efficient officer, although the same conditions as those to which reference has been made prevailed at that time.

So far as the civil service commission is concerned, it consists of three members and not one. I do not think the party predilections of the member who was appointed need be dwelt upon too strongly in the light of his speeches during the time he was in parliament. It was because he possessed certain academic qualifications and a certain independence of mind that it was thought he would make an admirable appointee, a belief which I think is shared by all who have any knowledge of the operations of the commission. In any event, this is not similar to the case which I was discussing, as would be apparent on the face of it.

I regret greatly the observations made with respect to the Speaker, but if similar circumstances arose again, as a matter of public duty I would have regretfully to follow the same course as I then pursued. I have no sorrow or regret for having done what public duty necessitated my doing on that occasion.

Mr. YOUNG: Mr. Chairman, I am not quite sure what the leader of the opposition (Mr. Bennett) is trying to prove with respect to Mr. Campbell, now a member of the tariff board. If I did not make myself clear this afternoon. I should like to make another attempt this evening. Mr. Campbell came into this house as a Progressive from a constituency which had never elected a Tory. In the parliamentary guide it will be found that he states he was a Progressive and he then adds something that no other member of this house has ever added, namely, that he was previously a Liberal. Those of us who sat in this house during those thin years when we had not the majority we have to-day, have no doubt as to what his politics were when it came down to a close vote. No one knows that better than the leader of the opposition.

Mr. BENNETT: I dispute that and the journals show quite the opposite.

Mr. YOUNG: If the right hon. leader of the opposition does not know that, I think he is the only member who does not.

Mr. HEAPS: What has all this to do with the dry areas?

Mr. BENNETT: I was not in the house in 1921.

Mr. YOUNG: Further, Mr. Campbell was never opposed by a Tory at any time. With regard to the deputy postmaster general, may I say that I merely called attention to the fact that he had been a Conservative member of this house during the last parliament. Mr. Sullivan was appointed to a position which, in my judgment, calls for training in a particular work. I have yet to find one man either in or outside this house, unless it be the leader of the opposition, who approves that appointment. If the right hon. gentleman wants to know what the members of the Post Office Department from coast to coast think about it, he could make the same inquiries as he did about my friend Mr. Vallance.

I want to say one thing more about Mr. Vallance. I do not think I made any objection to the leader of the opposition attacking Liberals. He is well known for doing that at all times. But had he shown us that Mr. Vallance had been inefficient in his duty since being appointed; had he shown that he had been partisan in the performance of his duty since his appointment, then I could see some purpose in the right hon. gentleman's reference to this gentleman. As I listened, Mr. Chairman, I could not help recalling the saying about "Satan rebuking sin," and if there is one hon. gentleman in this house who should not bring up such matters it is the right hon. leader of the opposition.

Mr. STEWART: What about the hon. member himself?

Mr. BENNETT: Mr. Chairman, I am going to make just one observation in reply. I was not discussing Mr. Vallance except to point out the effect on public opinion of such an appointment, in view of the fact that his predecessor was the manager of the demonstration farm at Swift Current and was doing this work as part of his ordinary duties. This position now carries $4,000 per year, which, compared with the salary paid to Doctor Archibald, gives some indication of what the general situation is.

Mr. PELLETIER: I understand that the minister is going to set up a number of committees. I should like to ask him to what extent the expenses of these committees will prevent them from reaching the proposed objective. Of course, certain sums of money will be devoted by parliament for certain projects, and these committees will entail a certain amount of expenditure. Would the minister give us some estimate of what that will be?

[Mr. Bennett.]

Mr. GARDINER: The original committee met only twice, and the expenses were for railway fares to the point of meeting and hotel expenses. The expenses, I imagine, would be very small, but I believe these committees will be called oftener if set up in the way we suggest. The expenses might be a little more, although in all probability they would not, because the distance the members would have to travel would be much less.

Mr. COLDWELL: Mr. Chairman, I was going to wait until the amendment was put, but as the discussion may get off on another tangent there are one or two things I should like to say now. First, I should like to associate myself with those who complimented the Minister of Agriculture (Mr. Gardiner) yesterday upon his presentation. I felt, however, that perhaps the financial commitments for which money would have to be appropriated by parliament had not been sufficiently emphasized in his presentation. I believe that the problem which we face in western Canada is much greater than most of even the members of the House of Commons realize, and that it will entail the expenditure of a great deal more money than many expect.

I have in my hand a copy of the report which was made by those who conducted the soil survey in the province of Saskatchewan, and to which reference has frequently been made since this legislation was introduced. They state, and quite accurately, that even a casual view of the land situation in western Canada will show that not all the land settled is fit for the plough. The minister made that very clear yesterday.

I should also like to put before the house, and on record, the classification that is made in this soil survey of the lands largely in the area to which the minister referred yesterday, although this area takes in a little more land as the line runs horizontally through Prince Albert and then south to the international boundary. The surveyors divide the soil into six groups, and give the percentages in each area. They classify as superior soil 7·1 per cent of that area, and included in that superior soil area is the district which I have the honour to represent and the district around Regina, Melfort and one or two other areas. The next classification is: (2) Very good, 5·9 per cent; (3) moderately good, 16·9 per cent; (4) fair, 25·4 per cent. The point I am making is this, that fair land, and land better than fair amount to 55·3 per cent of that area, while land that is poor or very poor amounts to 44·7 per cent of the area. Of course, not all that poor land or very poor land is settled, but a great deal of it is.

I am going to ask the minister what responsibility the department is going to assume for the continuance of these soil surveys and for making the chemical analysis which I think ought to be made, because, as all of us who come from this area know, you cannot say that any particular area is all bad, since there are variations within any given area.

I am disturbed, too, by the fact that a number of new settlers have gone into the north country and settled on land which is deficient in certain chemical constituents. There is that deficient whitish soil, for instance, that we see in that north country. It seems to me that we have to face this problem in a larger way than we are inclined to do at the present time.

There is one other table which I should like to place before the committee, and that is a summary of the surveys made of farm income on this land, with its varying types of soil. According to the farm management department of the university of Saskatchewan, a farmer on the superior soil operating a half section of land could have in an average year a net income of between $307 and $516, and on a section a net income of from $1,280 to $1,588. On the moderately good soil his income would range from as low as $4 on a half section to as high as $262, and on a section from $547 to $859. On the poor soils at the end of the year the farmer would find himself with a net loss of $10 on a half section and an income of $523 on a section. But on the very poor soils the farmer simply cannot live on a half section.

Mr. McLEAN (Melfort): Are those figures after all living expenses, clothing, food, and so forth, and wages are taken out?

Mr. COLDWELL: No, not wages.

Mr. McLEAN (Melfort): Wages for his help?

Mr. COLDWELL: No, not wages for hired help, and not wages for any member of the family, but the figures include living expenses, which run roughly—I have not the exact figures before me—from seven to eight hundred dollars a year, according to the locality.

Mr. ROSS (Moose Jaw): Did not the hon. member say that it was net income?

Mr. COLDWELL: This is net income after living expenses only have been taken out. There is no allowance in these figures for interest, no allowance for wages for the family or for the hired man, and nothing for replacements. I think these figures will be found in bulletin No. 64 of the university of Saskatchewan.

Mr. GARDINER: Is it not presupposed that the family is large enough to require no hired help?

Mr. COLDWELL: I would not say that, but it is anticipated that the farmer would be able to get along with the help he had around him; that is true. On the other hand, I am pointing out that nothing is allowed for wages for that family, and the living expenses figure out at about $700 or $800 a year, as the case may be.

Mr. JOHNSTON (Lake Centre): May I ask the hon. member whether these figures represent an average over a period of years or are they for one year?

Mr. COLDWELL: A period of years.

Mr. JOHNSTON (Lake Centre): For what period?

Mr. COLDWELL: I think the surveys were made at different periods.

Mr. GARDINER: I think it was ten years.

Mr. COLDWELL: I believe that 1910 to 1914 was taken as the basic period and—the minister can correct me if I am wrong—that 76 cents per bushel for No. 1 Northern on the farm was the basis of the wheat price that the university used.

Mr. McLEAN (Melfort): Seventy-seven cents.

Mr. COLDWELL: Seventy-seven cents. Thank you. Seventy-seven cents was the basic farm price of wheat. What I am pointing out is that on poorer lands the farmers cannot make a living, and something will have to be done in order to enable them to make that living.

The other afternoon the Minister of Agriculture (Mr. Gardiner) mentioned the success achieved at the Matador ranch. That ranch happens to be in my constituency, and it is performing a very useful function for the farmers of that locality. But let me point this out, that the Matador ranch has not been broken up. It still retains the original prairie sod, and many of the lands which we have been discussing and are stating might be used for pasturage in the future, will take a long time—

Mr. DUNNING: Much of the Matador has no sod at all. I have been over it many times.

Mr. COLDWELL: The minister is quite right. Quite a bit of it is stony.

Mr. DUNNING: And sandy.

Mr. COLDWELL: And sandy, yes. I think it requires about forty-six acres to maintain a single animal on that piece of land. Nevertheless the ranch performs a very useful service to the community. In the rehabilitation of much of this land the problem will be to grow grass again, and in my opinion that will take a considerable length of time. It may come naturally, by the weeds holding the soil together and forming something of a cover for the growth of grass later. But the point I am making is this, that I think this committee should support the minister in any reasonable request he may make for funds for this particular purpose. I do not believe the condition can be exaggerated, and unless we are prepared to rehabilitate this area, the entire economic life of this dominion will suffer. As was said the other afternoon, it is not a local but a national problem.

Mr. DUNNING: Mr. Chairman, just a word with respect to the use of figures which are so discouraging as those quoted by the hon. member. Without at all disputing their accuracy in portraying what they purport to portray, I am always a little doubtful about the value of such generalizations as they represent. I might illustrate by saying that the soil report to which my hon. friend referred, and referred quite properly and accurately, relates to all of the area in Saskatchewan south of Prince Albert. May I suggest to him and to any practical farmer in the house that what is poor land in northeastern Saskatchewan, will have, by reason of the extra rainfall which that part of the province gets, a greater productive capacity than very good land in a district which does not receive sufficient rainfall.

Mr. GARDINER: And lower evaporation.

Mr. DUNNING: And the advantage of lower evaporation. It happens that my farm is shown on this soil survey map as consisting to almost half its extent of what would be called good land, and of almost half of only very fair to poor land. I know that the poor land on my farm, were it located in southwestern Saskatchewan, by reason of the difference in the rainfall would not produce what it produces in the Yorkton district of Saskatchewan. It is just an illustration I am endeavouring to give of how easy it is to go wrong when basing one's ideas upon the necessarily rather broad generalizations of an examination of that kind. I think the same may be said with respect to the economic survey. We all are familiar with farmers in poor districts who have good incomes, and we are all familiar with farmers in good districts who have poor incomes. We must allow for the wide variation in the human factor. Personally I am one of those who believe that while governments can cooperate, as we are now proposing still further to cooperate, in the solution of these problems, the real working out of them will be based upon the intelligent application by the individual farmer on his own farm of the information which is made available to him either through this source or through the agricultural colleges or other scientific institutions which are working on the problem. More of our western problems have been solved during the last forty years by intelligent work by individual farmers on their own farms, the knowledge of which work gradually extends through the community and by and by throughout the whole west, than by any other means. I take it that this rehabilitation proposal in so far as it relates to that phase of the problem is intended to make available the practical knowledge to the greatest possible number of farmers in order that they may work out their problems intelligently on their own farms. And may I say that I know of no better man as the active head of that sort of work than a practical farmer like John Vallance, who knows the men, who knows the soil, who knows the conditions, and who is in the work with his whole heart.

Mr. McLEAN (Melfort): I agree absolutely with what the Minister of Finance has said, and I do not take issue with what the hon. member for Rosetown-Biggar (Mr. Coldwell) has said, because he did not have in front of him the document about which he was speaking. I have in my hand the document issued by the department of farm management for Saskatchewan, covering a survey of several years. The years 1910 to 1914 were taken as the base years for price. In central Saskatchewan the average price of No. 2 northern wheat during the five years was about 77 cents per bushel. But in referring to the figures on income and otherwise of farms, I do not think it would be fair to let the impression go out to members of

this chamber or to other parts of Canada that this is a hopeless proposition, because everything depends upon weather conditions in this territory and economic conditions elsewhere.

Table 1A, which is the first table given in the management book, refers to inferior prairie soil, and the figures provided therein are cash figures. Farm living expenses in cash are allowed on behalf of the farmer and his family for groceries, meat, light and fuel, furnishings, clothing, health and miscellaneous, a total of $708. Everyone knows that on any farm in Canada—I think I am safe in saying on any—many items are available for living purposes that do not have to be paid for or accounted for in cash. But these are farm living expenses in cash on one-half section lands, chiefly sandy and gravelly, with rolling topography, and subject to frequent loss of crops, particularly from drought. These are the poorest lands dealt with, and the sort of lands, I take it, as to which the minister would like to see a change in the location of the farmers living on them. These lands would not carry any principal or capital debt at all on the crops that the farmers were getting at the price I mentioned. In addition to the farmers' living expenses, paid in cash or allowed for, farm expenses in cash cover items such as the following: machinery repairs; gas and oil and grease; blacksmithing; building repairs, 1 per cent of value; paint and painting; fences new and repairs; small hardware; fire insurance; threshing; twine; telephone; breeding fees; taxes and miscellaneous expenses. No car expenses, but horse expenses have been provided for conveyance, and no labour expenses have been provided because these costs are on a basis of a family of four adults to the half section farm and it was not considered that on a farm of that type much hired help would be needed outside threshing.

The same type of land on a section farm would carry a debt, amortized in a period of twenty years, at six per cent, of $3,062, which would amount to $10.07 per acre of crop land or $4.78 on land per acre over the whole of the section. It is not anticipated that on land of this kind a very large percentage will be under cultivation, and that is why its debt carrying capacity is so low.

Coming to the next type of land, mixed soils with "burn-outs" or clay spots frequent, and on which wheat production is generally problematical, after allowing for living expenses totalling $708 and farm expenses, cash, amounting to $348, we find there is a deficit in the cash requirements. But even on a section farm there would be a deficit. This is poor soil. Taking average prairie soil, mixed textured soils, principally loams, undulating to rolling, with varying amounts of stones, sloughs and waste, and subject to considerable variation in crop yields, we find an allowance of $719 for farm living expenses, cash, and $489 for farm expenses in cash, leaving a net cash income of $228, and a net income of $42, after taking into account many charges in addition to those I have given. This land would carry a principal debt of $482 per half section, according to this calculation. On a section of such land, however, because of the larger income and the relatively lower expenses the debt capable of being amortized in twenty years at six per cent would be $8,086.

As we get into the better lands, though still very much in the drought area, fair to good southern park lands, we find that on a half section, using these figures as the basis of calculation, there could be carried a principal debt of $1,208 amortized in twenty years at six per cent, and on a section of such land it is calculated that a principal debt of $9,130 could be carried. In all the section farm figures there is provision for labour, but on the half section farms there is not.

As regards fair to good eastern park lands, average northern park lands, mixed textured soils, and silty clay loams, moderately free from obstructions, producing high yields of wheat and other crops, and heavy clay land which is the choicest wheat land of Saskatchewan, the figures are all set out in this pamphlet. But even on the poorest types of land, according to this survey, in reasonable years under reasonable weather conditions and at prices we regard as very moderate—77 cents for No. 2 northern wheat—there was at that time a possibility of the average farmer having $700 to spend in living expenses in addition to what he took off the farm in kind, besides maintaining machinery, buildings and so on.

It is well known that much land has been settled which should not have been settled had we known then what we know now, and I am satisfied that it is one of the objects of the rehabilitation board, as the minister said the other day, to get some of this land out of cultivation. The area under the plough in many of these lands was small in comparison with the total area of the farm, and on the poorer lands there is a possibility, indeed a probability, that many farmers would not have a half section but a section. As men have moved away, naturally more land is left

to be divided among those remaining, and where land will not carry a heavy capital debt or, in some cases, any debt at all, it is comparatively easy for those who remain in the district either to obtain ownership of the land surrounding them and now vacant, or, if they cannot get the ownership, to get the use of it.

I would say one word about the poorer white clay soils of northern Saskatchewan. I know they are not so good in some respects as the lands around them. But they are not as poor as a stranger might imagine by looking at them. They have been under bush for a long time and snow and water have lain there much longer than on the surrounding lands, with the result that more of the mineral content has leached out. But if I were to tell the committee that in northeastern Saskatchewan some of these white clay lands produced last year cash incomes of around $100 an acre, the statement might be received with some incredulity, or I might be asked to give further explanation. The explanation is simple. It may be that these lands will not produce heavy crops of wheat or coarse grains, but they are suitable for alfalfa, which is now grown to a considerable extent in northeastern Saskatchewan. The farmers there began growing this crop only a few years ago and last year the yield was from 400 to 800 pounds per acre and sometimes more than that. At 23 cents per pound for No. 1 registered seed, with two cents allowance for handling by the cooperative selling agency, leaving a balance of 21 cents net, it will be seen that a crop yield of four, five, six, or seven hundred pounds and sometimes more than that makes it possible to secure $100 per acre income off these alfalfa lands. I do not say that this would cover the acreage of these farms, because not many acres are yet under cultivation. But it is probable that in that section are the best alfalfa seed lands to be found on this continent. How long that will continue I do not know. Many of the lands that have been under cultivation for some time and that are being put under cultivation now have not always been used to the best advantage. New uses are to be found for them, and I commend this to the attention of the rehabilitation board. I suggest that they should pay particular attention to getting these lands under some type of crop, whether grass or grain or legume, that will be more suitable to the land itself, to the climatic conditions and to the other needs of the district. I believe the rehabilitation board can do important work in that regard. Experiments have been going on for a good many years with crested wheat grass. The former Minister of Agriculture (Mr. Motherwell) began using crested wheat grass in an effort to restore prairie soil and before his time his predecessor the hon. member for Victoria, B.C. (Mr. Tolmie) was engaged in similar work.

Let me say one last word. In my opinion the rehabilitation board might well devote some time and money to trying out seeds from other parts of the world which seeds have been found to be successful under conditions at least as unfavourable as we have in western Canada. There are parts of northern Russia and Siberia, possibly in South America and high Asia, that have made possible a reasonably prosperous type of agriculture. The Department of Agriculture of the United States has been importing some of these seed grasses, legumes and other farm products for many years, but much of the work they have done has been lost because these things have been pigeonholed. Every once in a while some new scientist, on the principle that a new broom sweeps clean, takes the packages out of these pigeonholes and makes use of them. Crested wheat grass was introduced in the United States forty years before it was tried out in Canada.

I might mention something I saw last year. I saw trucks coming from Minot, North Dakota, running day and night, hauling seed of crested wheat grass, sweet clover and alfalfa and other seeds from northern Saskatchewan back to the Dakotas and probably Montana where crested wheat grass had been left lying idle for so long.

Mr. COLDWELL: I quite agree with the hon. member for Melfort in his description of the district he represents. The figures I was using were for the poorer types of land, and speaking from memory I think he pretty well substantiated the figures I used. I think it is true that we in western Canada have in days gone by drawn a picture which was a bit optimistic, and at present perhaps we are inclined to be too pessimistic. We have to try to strike a happy mean. But it is of no use, however, closing our eyes to the tremendous difficulties facing the Department of Agriculture in the southern part of the province. In the northeast it is a different story on account of the rainfall, but in the southwest and the extreme south the outline given of conditions by the hon. member and myself is, I think, substantially correct. If one looks over the income tax returns which were quoted yesterday, it will be seen, for example, that for the year 1932-33 only thirty-two

Saskatchewan farmers paid income tax; in the following year twenty-nine; the next year, thirty-eight, and last year, ninety-six. That gives a pretty fair picture of conditions. The same thing is shown by the number of lapsed life insurance policies. The point I am trying to make is that this is a big problem, and any expenditures made by this government will be approved by the people of western Canada.

Mr. FAIR: Having listened to the debate to-day, I have been wondering whether there is any province in western Canada but Saskatchewan. We must remember that either east or west of Saskatchewan there is a province with practically the same conditions existing. So I ask that those two provinces be not forgotten. While I do not agree with the minister in everything he says and does, I have to compliment him very highly upon the comprehensive and able report which he gave on this matter yesterday. I do not think anyone could make a much better job of it, and if he goes through to the end as he has started I think members of all parties will praise and congratulate him and the government of which he is a member.

I do not live in the dry belt, but a considerable portion of Battle River constituency is in that belt. So far we in the northern end of the constituency have been fortunate enough to have a little moisture. Last year our average crop in the northern end ran eight or nine bushels of wheat and ten bushels of oats to the acre. That, as hon. members will admit, is not very high, and even with good prices farming is not a paying venture. And this, I may say, is a pretty high estimate for the average in the northern part of the constituency, while in the southern part I know of thousands of acres where a binder has not been taken this year. In other parts they got one or two bushels, and where I live we got around eight bushels. Several problems have to be dealt with there. One is the feed situation during the winter. In the early part of the winter we felt that matters were going to be all right because we had a late open fall. But since then the west has experienced a lot of cold, and heavy snowfalls. This has brought about a serious condition for those who are short of feed, which means practically everyone in that dried-out district. How to put in a crop in the spring is one of their problems now, and I wonder whether it is not possible under this scheme to supply fuel oil so that tractors may be used instead of horses. I make this suggestion so that the minister, following the good start he has made, may consider it. I am not making it for myself; I was lucky enough—if I may put it in that way—to have enough frozen grain in 1935 stacked up to carry me over last year too. Otherwise, as far as oats are concerned, I would be in exactly the same position as those in the southern part of the constituency.

Mr. ROSS (Moose Jaw): Following the remarks of the hon. member for Rosetown-Biggar (Mr. Coldwell), in which he said that we have perhaps been too optimistic in the past and now are getting pessimistic, I should like to say the same is true as far as what is known as the drought area is concerned. I think many people in Canada, and probably many members of the committee, have not a proper idea of that section of the country. There is plenty of good land in that area, although much land has been settled there which should not have been settled for grain growing. The governments of this country were responsible for that. But in that part known as the drought area we must remember that there has been settlement for only a short time, and that many people who went there to settle went with very little capital. Some of them were not farmers. When they first settled in there, they were able to break only a very small part of their land, on which they had a good crop at that time. The next year they would have a little more broken, and again they had a good crop. They went on breaking more and more of their land, and people who were selling lumber for buildings, selling machinery and all those things that farmers there needed, believing that it was a good part of the country, allowed considerable credit to the farmers there. These farmers went on to break up their whole farm and put up buildings and buy machinery on credit, and then a drought period hit them before they had a chance to take a good crop off the whole farm or a large proportion of it. Had they been able to get a good crop on a large acreage for some years prior to the drought period they would have been able to come through some bad years, perhaps not six years, but the larger part of it, without a great deal of help from the government. The government has tried to help these people through this time of stress.

Conditions will not always be what they have been recently in that part of the country. There have been droughts there before, extending over a period of five or six years,

but that was at a time when that part was not settled, and therefore no one was greatly hurt by it. But if the people on the good lands in the drought area are held there and assisted by the government under this rehabilitation scheme to carry on, they will no doubt come to a period in which there will be sufficient rainfall, and with sufficient rainfall, that portion called the drought area will produce large yields of grain of the very best quality. If these people are helped through this period, we shall probably find that ten years from now in that part of the country they will be producing many, many millions of dollars worth of purchasing power for the benefit of eastern as well as western Canada. We shall find that although we have spent a considerable sum of money in endeavouring to help the people in that part of the country, the dominion as a whole will be well repaid for the money spent.

Mr. EVANS: I have sat patiently for two days listening to the discussion of the rehabilitation measure. Fortunately or unfortunately, as the case may be, I happen to be the representative of a large portion of the district which has been under discussion, and in which the rehabilitation plan is working.

About thirty years ago as a young man I went into the district, at a time when the early settlers were coming in. At that time I remember the criticism of the old timer was that the federal government of that day had allowed such a great portion of the land to be settled by farmers. I remember, too, that the then provincial member for the constituency of Maple Creek, known in those days as Fighting Joe Wiley, did make representations to the federal government in which he pointed out that a mistake was being made in permitting the settlement of large areas in the southwest section of the country.

Possibly at this time it might be well to give a bird's-eye view of what our southwestern country looks like. As the minister so ably pointed out yesterday, the southwest is a plains area down the centre of which is a row of hills extending from the Rocky mountains, in an easterly direction. These are known as the Cypress hills, and to a certain extent they are wooded. In the hills there are numerous small lakes and springs which are the sources of creeks and small rivers. These are being rapidly developed as irrigation projects by the water conservation and rehabilitation committee.

Irrigation is not unknown in the great southwest. For more than thirty years there have been small privately owned and operated irrigation plants. Just south of the old town of Maple Creek, which is so well known in the southwest, is a rancher who has had irrigation over his land for a number of years. In 1936, despite the dryness of the season, he had 200 acres of alfalfa under irrigation, and from that land he cut 750 tons of good alfalfa hay. I maintain that in the development of our irrigation projects in the southwest, if we do nothing more than make sure that we supply our ranchers, stock growers and small farmers with a supply of fodder sufficient to carry their cattle over the winter, the expenditure would be warranted.

Yesterday an hon. member from Alberta asked the Minister of Agriculture a question regarding feed. In the last ten days I have received several letters and telegrams from southwest Saskatchewan on this subject. I have discussed the matter with the Minister of Agriculture, and he informs me that everything possible is being done to have feed shipped into that area. If each year we have to spend millions of dollars in shipping feed to that part of the country in order to keep the farmers' and ranchers' live stock through the winter, would it not be better business to spend an equal amount of money each year in the development of the great irrigation projects out there waiting to be developed. If people in eastern Canada would visit our great southwest and see the great developments which could be opened up, there would be no question about the house spending the the required amount of money each year.

Amendment agreed to.

Section 4 as amended agreed to.

Bill reported.

SUPPLY

The house in committee of supply, Mr. Sanderson in the chair.

POST OFFICE DEPARTMENT

Post Office—Outside Service

Salaries and allowances, $16,713,338.50.

Mail services, including mail services by air, $14,520,000.

Miscellaneous, including $5,000 to provide for payment of compassionate allowances to employees injured while in the performance of their duties or to other persons injured while performing duties in any way connected with the postal service or in protecting His Majesty's

mails, or to the dependents of such employees or other persons who may be killed while so engaged, payments to be made only on the specific authority of the governor in council, $1,004,600.

Mr. THOMPSON: I notice a large number of items appearing under this item, and I assume they are all under discussion. May I call the attention of the minister to the very unsatisfactory method of engaging rural mail carriers. It is well known that mail carriers in the cities and towns are paid salaries, and that the civil service commission make the appointments, selecting from the applications they receive those which, in their judgment, are the most suitable. I can never understand why in the country men are allowed to bid against each other, and why invariably the contract is given to the lowest bidder. In that way we get the man who places the lowest value upon his own labour. In these days, when a great many people are hard up, men are bidding against each other for these jobs until the point has been reached where bids are made away below proper values. I know of one rural mail route seven miles long now being operated for 87 cents per trip. I know of another one where $1,000 was being paid for a route twenty-two miles long. It was put up at auction some time ago and bid down for $480. Men cannot live on such wages.

Our government is making investigations into certain industrial plants, showing that great profits have been made and small wages paid. I do not think there is a more flagrant example of underpayment of officials than is to be found in the Post Office Department in connection with the rural mail carriers. There should be a minimum rate per mile for these rural mail routes. I admit that it may cost less to operate routes which lie along highways or in sections of the country where the roads are kept free of snow and where there are very good roads than it does to operate routes where the snow is not cleared and where the roads are not in good condition even during the summer time. I do not think any rural mail carrier in Canada should be asked to supply a horse and buggy and harness or a car for the delivery of mail at less than $50 a mile per year.

Mr. SPENCE: Does the hon. member mean the round trip?

Mr. THOMPSON: Yes, on the round trip. I know of instances where men have not been able to buy feed for their horses and keep them in condition to do this work. Quite often this job is looked upon as a sort of side line. I asked one man the other day why he had taken the contract at the rate he had and he told me that he was hard up, that he had had poor crops and was able to put a boy just out of school on the route where he could earn a little. These conditions should not exist and it is manifestly unfair to treat the rural mail carriers any differently from the carriers in the towns and cities. The men delivering mail are performing a very important duty in the community and they should receive at least a reasonable compensation.

Hon. J. C. ELLIOTT (Postmaster General): Mr. Chairman, the matter that my hon. friend has brought up is not new by any means. It has been discussed for some years and was discussed at considerable length the other evening. I do not think I can add anything to what I said at that time. I assure him that I have as much sympathy for the rural mail carriers as has he or any other member of this committee. For years the law has been that contracts for over $200 shall be let by public tender after having been advertised. I do not know how any man can complain when he gets a contract at the rate at which he tendered for it. As I mentioned the other evening, there have been very few contracts let in the time that I have had something to do with the Post Office Department, without at least half a dozen men, either by correspondence or by requests through their members, seeking to obtain the contract at the same rate at which the lowest tenderer obtained it.

The hon. member speaks of $50 per mile, but that would be very much in excess of the present rate. Just the other day I had a most interesting interview with some representatives of the rural mail carriers' association. Some hon. members also attended that meeting. These men, all mail carriers, were a very fine type. Nearly all had been engaged in some other occupation before becoming rural carriers, some of them having been in two or three different occupations. Some of them had started out carrying mail by filling out a contract taken by someone else. In not one case that I know of has the contract holder been anxious to throw up his contract and go back to the job he had previously.

I say to my hon. friend, what I do not think I need to say to him, that for the past few years the men whose mail has been carried by these carriers have been working on their farms for less money, or at least not much more money than the carriers received. No doubt some of these mail carriers are fulfilling their contract at very low rates, but they have not been in nearly the unhappy position of some of the farmers to whom they are delivering mail. I am not attempting to say that we are paying the price which I think will be paid when times improve, because conditions always change when times get better. As farmers are able to make more on their farms, fewer of them will tender for these mail routes. Perhaps that condition will bring the remedy which, after all, would be the best remedy.

My hon. friend is too good a business man to argue for one moment that one could fix a minimum price which would be fair all over Canada. This is a country of varying climates and conditions. In some parts of it there is very little snow and that for only a short period of the year, while in other parts there is very deep snow for much longer periods. The only solution would be to attempt to fix a minimum rate for each district, and that would be almost impossible to do. I agree with what my hon. friend has said with regard to these men working for lower wages than are received in the cities, but the remedy which he suggests of a minimum price per mile would bring up the very question to which other hon. members would object, namely, to whom would the contract be given when half a dozen bid the minimum price?

Mr. THOMPSON The civil service commission.

Mr. ELLIOTT (Middlesex): It would be quite interesting to see the civil service commission sitting in Ottawa deciding as to who would get a route up in northern Alberta or away down in the county of Essex. I have nothing more to say. I do not think the plan my hon. friend suggests is at all feasible because there is as much difference between the various miles that a rural mail carrier travels as there is between the horses that cover the ground. There are no two miles the same, and each man, when he is tendering, has to judge for himself what price he considers will be of advantage to him if he should be so fortunate as to have his tender accepted.

[Mr. J. C. Elliott.]

Mr. THOMPSON: I cannot agree with what the minister says, and I think I made that clear when I said that each route should be judged on its own merits. I said that the cost of delivering the mail would not be as much on some roads as on others, for instance, on a highway that is kept ploughed in the winter time.

I can remember quite well when rural mail delivery was first started. When an application was made, a man was sent out from the department to go over the route before it was decided to start the service. I remember our good friend Mr. Coolican coming out to Almonte, and I drove him with a horse and buggy over the first rural mail route that was let. He examined the route very thoroughly, and I say that it would be quite easy to have every rural mail route examined and a price set for that route.

The minister also stated that the men could not be appointed by the civil service commission. I want to say that the appointments are made now right here in Ottawa. The applications are sent in here; the department decides who is to get the route, and it would be just as easy for the civil service commission to make the appointment. The lowest tenderer almost always gets the contract.

Some hon. MEMBERS: No, no.

Mr. THOMPSON: I have never yet known a mail route where the lowest tenderer did not get the contract. The appointment is made from Ottawa, and the department give the contract to the lowest tenderer. It would be just as easy for the civil service commission to do this, and I think these appointments should be made by the commission. I am not in favour of patronage, and I do not approve the manner in which these appointments are made now. I know that in the five years from 1930 to 1935, when the government I supported was in office, I was written to in every case when a rural mail contract expired, and asked whether I would recommend that it be renewed or new tenders invited. I shall tell the committee what I did. In those five years I never put one route up for tender. I did not care who the man was who had the contract, so long as he was doing his duty. I renewed them all because I am not in favour of a man putting up a mail route for tender simply because the present man on the route voted against him. I always felt that if the man was doing his duty and was being a good

public servant, he had no right to be interfered with. But under the present system these men are at the mercy of the man who holds the patronage for the riding.

Some hon. MEMBERS: No.

Mr. ELLIOTT (Middlesex): My hon. friend is entirely wrong.

Mr. THOMPSON: I am not asked about these rural routes any more, but my opponent is, and he has stated that he has been tormented about them. He makes recommendations to the department that the same man have his contract renewed or that the route be put up for tender, but he has no say as to who shall get the route if opened up, because the department gives it to the lowest tenderer. He has the say as to whether the man who is already performing the service shall have his contract renewed. I think this is a very unsatisfactory state of affairs. I say that $50 per mile even as a minimum would not be too much to pay for delivering mail on many of our country roads, and it would be quite easy to have each route considered on its merits.

Mr. BARBER: As the minister has said, this is a matter which has been before parliament for a number of years. The subject comes up almost every year. I agree that the ideal way would be to pay the men on a salary basis, but as the minister has pointed out, there are great difficulties in arranging that. It has also been suggested that we follow the United States system, where the postman is given a uniform and so much per mile per year for carrying the mail. This is, of course, something that we may look forward to having some day in Canada.

The last speaker (Mr. Thompson) brought to the attention of the committee a matter on which I had intended to say something, and that was the question of patronage. I noticed that when he made his statement about patronage, we heard "No, no" from a number of hon. gentlemen opposite, but I know that at present, some weeks before a contract is about to expire, a notice is sent to the member of parliament supporting the government or to the defeated candidate supporting the government. I received these letters myself for five years, and I have in my hand a copy of a letter which I have taken from my file, and which I think it would be just as well to put on record. The form is a long one. It winds up with No. 37. The letter is headed "Post Office Department, Canada," and there is a line for the date. The letter reads:

Dear Sir,—

Re,—

The contract for the above-mentioned mail service will expire on the (date) . The contractor is and the rate $ per annum.

Now listen to this:

The department considers the rate paid as reasonable and is prepared to renew the contract.

I should be glad of your advice as to whether it would be in the public interest to allow this service to remain with the present contractor, whose name is given, or whether you consider it would be in the interest of the department to invite tenders for a new contract.

I should appreciate your prompt reply.

Yours sincerely,
Chief Superintendent,
Air and Land Mail Services.

This is followed up after a certain length of time with another letter:

On the (date) you were advised that the contract for the above mentioned mail service would expire on the (date) . The contractor is and the rate $ per annum.

The department considers the rate paid as reasonable and is prepared to renew the contract.

I should be glad of your advice as to whether it would be in the public interest to allow this service to remain with the present contractor, whose name is given, or whether you consider it would be in the interest of the department to invite tenders for a new contract.

If I do not hear from you by (date) the department will take whatever action it may deem advisable.

During five years I received these letters, and I opened only one contract. The reason for opening that contract was that there had been complaints from patrons of the route. I went to the department and consulted with the officials, and they also had received complaints. I thought that the best thing to do was to open the contract, and we opened it. There were twenty-two who tendered for it; it was an important route. Twelve wrote to me and said they were personal friends of mine and expected me to get them the job. Of course I explained that under the act and regulations this was impossible, that the contract must go to the lowest tenderer. Since the election of 1935, my Liberal opponent has been opening every contract.

There was a contract in my town for carrying the mail from the railway to the post office, involving, I think, three trips a day. A returned soldier with a truck had been doing the work for about fifty cents a trip over a period of ten years. His contract expired each year. I received notice of this,

and on each and every occasion I recommended renewal and it was renewed. But as soon as the government changed, my opponent opened the contract. Another man tendered at about thirty-five cents; secured the contract; the mail is carried to-day from the station to the post office and from the post office to the station in a one-horse conveyance commonly termed in my community "the Black Maria."

That is not all. In the case of another rural route service contract the courier who had had it for a number of years was backed by a petition signed, I believe, to the extent of one hundred per cent. The department had declared that it was satisfactory, but the defeated Liberal candidate recommended that it be opened, and it was opened. The result was that another man got the job. I think that has happened in connection with every contract which has expired since the 1935 election. The trouble is that under present conditions men are so anxious to get something in order to keep off relief that they will take a contract at almost any price, and the result is that by the time they have paid for their gas and oil, they have very little left with which to keep their families.

So I should like to suggest, since we criticize the department and the minister, that members of parliament and defeated candidates must take some of the blame for the conditions which exist in respect to the rural routes. That is only fair, because it is the practice of the department to send out these letters, and unfortunately it has also been the practice of certain men, either the representatives of the district or the defeated candidates, to take advantage of that system with the idea of placing in these positions some of their friends. I notice that on almost every occasion, however, they are just as badly disappointed as the other fellow, because it happens frequently that the friend does not get it. I suggest to hon. members that they could help materially in improving conditions if they would consent that where holders of contracts are giving satisfaction and the price is considered reasonable, the contract should be renewed direct by the department.

Mr. FURNISS: I should like to add a word to this discussion about mail routes. Since I have been elected I have had some experience with the establishment of several mail routes. I have also been approached by representatives of the rural mail carriers' association, and I intend to express myself in this chamber to the same effect as I did to them. They said that when a contract was thrown open, some person who knew nothing about the expense of carrying the mail bid the price down so low that there was nothing in it for any person. But this has been my experience. One contract was held for about twenty years at $948 per year, and the same man bid again at $480. If he was ignorant of the expense of carrying the mail on that route, it was his own fault if he bid too low.

I was also interviewed about this rate of $55 per mile that the association asked should be fixed for carrying the mail. The hon. member who has just spoken mentioned $50. I know I have succeeded in establishing several routes which would not have been established if the price had been even $40 per mile. In the back parts of the riding of Muskoka, where the roads are not good and travelling is difficult, I have had routes established and patrons all along the route have enjoyed the privilege of having their mail delivered close to their doors, which would not have been possible if the rate had been $40 per mile, and the person who got the contract at whatever price it was let was very glad to have that much ready cash coming in. The majority of the contracts that have been thrown open have been held for a long term of years. They were obtained when times were good and work plentiful and few people bid on contracts. Conditions have now altogether changed. Many men would like the opportunity to bid on contracts of long standing, and I think it is quite right that opportunity should be given them. I do not believe the fact that a man has held a contract for a long term of years at a remunerative price is any reason why he should retain the right to carry that mail all the days of his life.

Mr. TOMLINSON: The two hon. members on my left to whom I have just been listening are, certainly, innocence personified. During the last five years contracts were changed by the former government. Now that the government has changed, we are not allowed to alter contracts but the lowest tenderer must receive the contract. I know that some rural mail carriers are receiving but little and are working under conditions of hardship. But if an attempt were made to establish a minimum or to set a price per mile, I should have to ask that the contracts for some of the routes in Bruce, which I represent, should be let at a higher figure than for some of the other routes in the southern part of the

province, and I agree with the Postmaster General that it would be impossible to classify these different mail routes to the satisfaction of the members of this house. If you classify them 1, 2, 3, and 4, how would you arrive at that classification? How would you satisfy the people concerned? One mail carrier would complain that so-and-so is getting more than I am, and therefore it is unfair. When we are asked to listen to talk about patronage and the opening of contracts, and when under this administration we must carry out the law, which the former administration did not do, I think it is time that those hon. members looked into their own party's record and found out their own guilt.

Mr. THOMPSON: I am surprised at the remarks of the hon. member who has just taken his seat. I know as a fact that every man who held the patronage of my riding, under the late government and under the present government, is notified. I am not finding any fault with that, but I have not had a notice since the government changed; in every case it goes to my opponent. That is perfectly right. He gets the notices as to these contracts. The letter that was read by an hon. member a short time ago is the form of letter which is sent out, and the person is asked to recommend whether the rural mail route in question should be renewed or whether it should be put up for tender; it cannot be given to anybody. I have talked with officials of the department, and they told me that in no case did they give a contract to any person except the lowest tenderer, who must supply them with two sureties whom they approve. That is a mode of engaging mail carriers to which I very much object.

If the competitive system is such a splendid one and has as much merit as the minister suggests, why does he not apply it to other parts of the department? Why is it not applied to the whole civil service? I venture to say that if the duties now performed by civil servants were made a matter of tender you would have the work done for one-half of what it is done to-day, but you would not have efficiency. I am not in favour of it. I say, you would not have efficiency, but the salaries of civil servants would be cut down. In my opinion, it is unpardonable that the men who carry the mails in the country should be treated differently from those who carry them in the city. A salary should be set and the department should then select the carriers, taking the best men from among the applicants and not those who put the lowest value upon their services. This is an injustice to the people in the rural parts of Canada. I may say that I brought the matter to the attention of the late government of which I was a supporter and I was informed that they were willing to rectify it, because they saw it was wrong, but that the finances would not allow them to do this. That was the answer I received. Nevertheless it is an evil; it is a wrong that must be rectified in the near future.

Mr. HEAPS: Governments come and governments go, but I seem never to get any of these little notifications from the Post Office Department. Let me say I am extremely thankful that I do not get them. A good many other members have also something to be thankful for in the fact that they do not receive these notifications.

Mr. ELLIOTT (Middlesex): Has the hon. member any rural mail carriers in his riding?

Mr. HEAPS: There is a little rural section to it somewhere, but I do not know whether there are rural carriers there or not. I know that government is a difficult matter, but I wonder why there are different rules as between one department and another. In the Department of National Revenue contracts are let for the carrying of goods but no tenders are called for. The moment a Liberal government goes out and a Conservative government comes in, the Liberal who has been doing the job goes out and is replaced by a Conservative appointee. And when a Conservative government goes out and a Liberal government comes in, the Conservative contractor goes out and the Liberal comes in.

Mr. DUNNING: Will the hon. member show me how he works that?

Mr. HEAPS: I suggest to the minister that he talk this over with the Minister of National Revenue, and I shall give him the facts and figures.

Mr. DUNNING: In connection with rural mail?

Mr. HEAPS: No; I am speaking of contracts for the carrying of goods, exactly in the same way as there are contracts for carrying mails. The minister must not shake his head because I know the facts. I know the people who were let out last year and the

people who came in, and they have been here to see about it. It was not many days after the new government took office before the good followers of the present administration came here to obtain contracts. I want to know why there is one method of doing business in one department and another method in a different department. The only thing I object to in the letting of contracts in the way I have mentioned, so far as the Department of National Revenue is concerned, is the patronage that goes with it. I do not like the patronage business, and I do not think there are many members who really care for it. In my opinion, it does not make many friends; it creates more enemies than friends, and those who are fortunate enough not to have patronage at their disposal are better off. What I am afraid of in connection with the Post Office Department is that if the work were done on the basis of so much for the job, putting it at a fair basis, there would happen in that department what has taken place in the National Revenue department. The moment one party went out of power the persons who had the contract would go out with the government and another lot would take their place.

The rural mail carriers are deserving of consideration, and it is not beyond the power of the Post Office Department to see that the persons who have these contracts for carrying rural mail receive something approaching decent remuneration for their services. If the Postmaster General believes that the tender system is the best one which can be devised for carrying mail, then I suggest that he use his influence with all other departments of the government and see that for similar classes of work similar tenders are called for.

Mr. ELLIOTT (Middlesex): I know my hon. friend does not intend to criticize this department for the sins, if any, of the other departments. We do pretty well if we defend ourselves. I want to point out, however, with regard to the difference between the rural mail carrier and the carrier in the city and the civil servant, that we have acts governing the manner in which these contracts shall be let, the Civil Service Act governing the way in which civil servants shall be appointed, and the regulations by which the civil service commission shall fix the salaries to be paid to the persons who fill various positions. On the other hand, Postmasters General under various governments, including the Postmasters General ever since we have had rural mail routes, have not found it possible to devise a plan that would better answer the requirements of the public and give fairer treatment to the people who tender than the present system as laid down in section 66 of the act, which provides that the contract must be given to the lower tenderer. And until the act is changed we have to follow that law. I am frank in saying that I do not see how you are going to make it any fairer. The same applies to various other contracts. It is not limited to rural mail contracts. The rural mail contracts are perhaps in a different category, and if there is anything in the tender system—and I believe there is a great deal in it—I think it is much easier to let contracts to the lowest tenderers than to start fixing a price and selecting, among a number of people who tender, the ones who shall do the work and the price at which they shall do it. But a great many of these rural mail contracts are performed by people who have little farms or garden plots or something of the kind, and the work does not take all their time.

To the gentleman who suggests a uniform rate per mile for all the contracts, let me point out that not only are there wide differences in the roads, whether they are paved or of mud, whether they are hilly or level, whether they are covered with snow for much of the year or open most of the year, but many of these are only ten mile contracts.

Mr. STEWART: And another factor is the train hours.

Mr. ELLIOTT (Middlesex): Yes. Are you going to fix the same rate for a ten mile contract as for a thirty-three mile contract? All these factors enter in. I am quite frank in saying that conditions among the rural people in recent years have been such that I think nobody has been getting proper pay for what he has been doing.

Mr. DUNNING: For anything.

Mr. ELLIOTT (Middlesex): No. The farmer working on the land has not been getting anything like proper remuneration. He was a little better off than the poor fellow in the city who had to go on relief. But when men tender at the prices they do, it shows that they believe that is a little better than anything else they know of at that particular time.

Mr. MAYBANK: The hon. member for Winnipeg North (Mr. Heaps) commented on the fact that he used to get notices asking him, I assume, whether he would like to have such a rural route contract, and while he said he was not complaining that he no longer got such notices and invitations, I could not help thinking he would be better pleased if requests of that sort were sent to him from time to time. In view of the fact that I am in favour of as much harmony as possible, I should like to make a suggestion to the Postmaster General (Mr. Elliott) that hereafter he should send these notices to the hon. member or any other hon. gentleman who applies, the same as he sends them to those, we might say, on his own side of the house. In connection with that, however, I should like to tell briefly a story which harks back to the time when the women were demanding the franchise. One rather hard-boiled old fellow surprised everyone by insisting that he was in favour of giving women the vote. He said he could not see where it would do any harm; it would please them and he thought the government should give it to them. But, he said, the government do not need to count it. I think the Postmaster General could send out these notices, but he need not pay any attention to the replies.

To speak more seriously, and with particular reference to what has been raised here by the hon. member for Winnipeg North, he and I probably have quite a large number of acquaintances and friends in common, even though not voters in common. I do not think he was altogether fair in the statement he made, at any rate so far as it applies to his home area. I have watched very closely this matter of patronage and its operation in and about Winnipeg, and I must say that the changes which have been made there are very few. At the moment I cannot recall any, but I am confident that the total number could be counted on the fingers of my two hands, and in practically every case a reason entirely apart from politics could be assigned. I feel certain that is so, because while he is on one side of the political teeter, I am on the other, and I do not believe the changes that he is suggesting could have occurred without my knowing about it. When this argument developed this evening my colleague from Winnipeg South (Mr. Mutch) was sitting beside me and he asked me, "How many changes do you know about?" And I told him what I have just said. He replied that it was the same with him, and I hope he will not mind my reporting just what he said, as he lapsed into the vernacular. He said, "As far as our area is concerned it is a lot of hooey, and you know it as well as I do." That is just what it is as far as changes in and about the area from which he and I come are concerned. I am very glad that is the case. I do not want to get mixed up in patronage; I do not want to have anything to do with it; I would prefer to have all this sort of thing handled in some other way. When I am asked for advice—

An hon. MEMBER: You charge for it.

Mr. MAYBANK: Well, unfortunately we cannot do that with the government. As the hon. member who interjected that remark very well knows, as far as a lawyer is concerned charging for advice is a different thing from getting paid for it. However, when I am asked for advice on matters of this sort, I always think of the people behind the man who holds the job at the present time, his wife, his family; I am not concerned with switching work from one satisfactory person to another; I am concerned only with trying to see things worked out in such a way that all have work. I think the complaints in regard to patronage—I speak with reference to my own area—are greatly overdone. I am not advertising my own community as being purer than others, I fancy complaints about it all over the country are overdone.

I should like to obtain from the minister certain information with reference to this item 275. I notice that on the second page of this estimate there is the sum of $898,620 for the Winnipeg post office. Could the minister give the committee some break-down of that amount? Does it include the leases of various sub-post offices? Does it cover wages of all the employees in the post office there? Does it include the post office of St. Boniface, which is a separate city across the river, occupying about the same position in reference to Winnipeg that Hull does to Ottawa? Not in too great detail, but generally, what does this sum comprise?

Mr. ELLIOTT (Middlesex): Those amounts which appear the same for the coming year as they were for the last year, as this amount of $898,620, are for salaries and allowances for all of the staff. It does not include St. Boniface post office or any post office other than Winnipeg.

Mr. MAYBANK: What about the various leases of sub-post offices?

Mr. ELLIOTT (Middlesex): I take it the leases of sub-post offices are paid for by public works, entirely.

Mr. O'NEILL: I have been interested in listening to the remarks of the hon. member for Fraser Valley (Mr. Barber), because I come from that locality, and should like to know all the particulars. If possible, I should like to learn from the hon. member the names of the parties to whom he referred, so that I might get the details.

We have heard a great deal about patronage. Undoubtedly patronage exists, and will continue to exist until the millennium. But if we must have patronage, I believe a well ordered and well organized political patronage is the least of the evil. We might have blood patronage, fraternal patronage, religious patronage or some other type which would be infinitely worse. The hon. member for Winnipeg North (Mr. Heaps) referred to the merit system. Any labour man must know that the merit system did not work out to the satisfaction of the labourer, because we had not the right to pick the man who was going to say who had the merit. It all depends upon the point of view. In the discussion which took place this afternoon, different points of view were expressed as to whether or not a man had merit. In referring to the merit system, it is the point of view which rules. In order to do away with the merit system, labour men had to put in a seniority rule, because unscrupulous employers would place certain men at the top of the list, regardless of their merit. Doubless they had merit in the eyes of the men who put them there.

Mr. GREEN: Would the minister give a statement as to the present position of the trans-Canada air mail? I believe every hon. member is interested in the trans-Canada service. This service will be of vital importance to the nation, because most certainly it will draw the different parts of the country closer together. I should like to know when it is expected that part of the route from Vancouver to Winnipeg will be open, and also those parts from Winnipeg to Montreal and from Montreal to Halifax. In addition, would the minister give us some idea of the schedules, indicating the times which will be taken in flying the mail, and whether or not it will be a daily service.

Mr. ELLIOTT (Middlesex): First of all, the trans-Canada air route is within the jurisdiction of my colleague, the Minister of Transport (Mr. Howe). The question as to the arrangements made with the Post Office Department for the carrying of mail is a matter which has to be determined between the two departments. As yet, no arrangements have been completed. I believe the landing fields are fairly well completed. It is expected that when the service is under way, the mails will probably leave Montreal at the close of business in the evening and be in Vancouver the following morning for afternoon delivery. Of course, the matter is unsettled because the details are not yet completed. These are matters of government policy concerning which I know the hon. member would not expect me to make a statement, prior to official announcement. I believe an announcement would not be expected under such circumstances, even if the matter were confined to my own department, and in this instance to a great extent it comes under the Department of Transport. It is hoped that the service will be under way as soon as arrangements can be completed for carrying out the service in a way that the finances of the country will permit.

Mr. GREEN: Will part of the air route be opened this year. I understand the western portion is to be opened first, and different announcements have been made in the press. I was told last year in the house that the western portion would be opened by July of this year. Is that correct?

Mr. ELLIOTT (Middlesex): If the hon. member were told that—and I do not question it for a moment—it illustrates the danger of making prophecies far in advance in connection with matters of this kind. I am not in a position either to confirm or to deny the report. A number of questions of policy have to be settled before an announcement can be made as to the actual time of opening.

Mr. GREEN: Is any portion of this vote to be spent on the trans-Canada air mail service?

Mr. ELLIOTT (Middlesex): Yes, $390,500. The total amount is $705,000. For 1936-37 the amount was $314,500, and in the present estimates it is increased by $390,500.

Mr. GREEN: For the trans-Canada air mail service?

Mr. ELLIOTT (Middlesex): To help take care of it, yes.

Mr. GREEN: What air mail routes are now being operated?

Mr. ELLIOTT (Middlesex): I was asked that information by the hon. member for Yale, and I have in my hand a list of all the contracts. Unless the hon. member or any

hon. members of the committee are interested in a particular route, perhaps the best way would be to put it on Hansard, as I did last year.

Mr. STIRLING: Yes; that is the best way.

Mr. GREEN: Have any new routes been opened since last year?

Mr. ELLIOTT (Middlesex): Yes.

Mr. GREEN: How many?

Mr. STIRLING: It will be helpful if the minister would do as he suggested, put the whole list on Hansard.

Mr. ELLIOTT (Middlesex): Does the hon. member wish merely to have it placed on Hansard, or does he wish it read?

Mr. STIRLING: Just put it on Hansard, as far as I am concerned.

Mr. ELLIOTT (Middlesex): I believe the purpose would be served if we do as we did last year, namely, put the whole list on Hansard. The hon. member will then be able to see it and if there are any questions to be asked concerning it they may be asked on the supplementary estimates or on these estimates, if we do not finish to-night. The information is as follows:

AIR MAIL SERVICES OPERATED

Service	Contractor	Distance (miles)	Frequency of service
Amos—Siscoe—Val d'Or Bourlamaque	General Airways Limited, Toronto, Ont.	52	Approximately 121 round trips per annum.
Atlin—Telegraph Creek	Northern Airways Limited, Carcross, Y.T.	146	10 round trips per winter season.
Cameron Bay—Coppermine	Canadian Airways Limited, Winnipeg, Man.	165	2 round trips per annum.
Kenora—Red Lake	" "	210 (round trip)	4 round trips per week.
Sioux Lookout—Casummit L	" "	212 (round trip)	3 " "
Sioux Lookout—Red Lake	" "	230 (round trip)	2 " "
Winnipeg—Lac du Bonnet	" "	396 round trip)	3 " "
Charlottetown—Magdalen I	" "	106	
Fort Chipewyan—Goldfields	" "	108	1 round trip per month.
Fort McMurray—Aklavik	" "	1,459	From 6 to 45 trips per annum.
Fort Resolution—Cameron Bay	" "	428	1 round trip per month.
Gods Lake—Cross Lake—Norway House	" "	177	2 round trips per month.
Goldfields—Fond du Lac	" "	42	4 round trips per annum.
Haileybury—Mud Lake	Dominion Skyways Ltd., Montreal, P.Q.	50	2 round trips per week.
Ile à la Crosse—La Loche	M. & C. Aviation Co. Ltd., Prince Albert, Sask.	96	1 round trip per month.
Kenora—Cole	Canadian Airways Ltd., Winnipeg, Man.	230 (round trip)	2 round trips per week.
Kenora—Machin	Wings Ltd., Winnipeg, Man.	25	2 round trips per week.
Kenora—Whitefish Bay	Canadian Airways Ltd., Winnipeg, Man.	40	1 round trip per week.
Leamington—Pelee Island	Air Trails Limited, Huntsville, Ont.	22	Daily except Sunday.
Moncton—Charlottetown, via Summerside	Canadian Airways Ltd., Montreal, P.Q.	100	Daily except Sunday.
Montreal to Albany	Canadian Colonial Airways, Ltd., Montreal, P.Q.	200	Daily except Sunday.
Montreal—Rimouski	Canadian Airways Limited, Montreal, P.Q.	309·5	2 trips per week.
Quebec—Sept Iles	" "	339	2 round trips per week.
Sept Isles—Natashquan	" "	205	1 round trip per week.
Havre St. Pierre—Port Menier	" "	45·5	2 round trips per month.
superseded by			
Quebec—Rimouski	" "	175	1 round trip per week.
Rimouski—Sept Iles	" "	183	3 round trips per week.
Sept Iles—Natashquan	" "	205	2 round trips per week.
Havre St. Pierre—Port Menier	" "	45·5	2 round trips per month.
Natashquan—Harrington Harbour	" "	112	2 round trips per month.
Oskelaneo—Chibougamau	General Airways Ltd., Toronto, Ont.	130	1 round trip per week.
Ottawa—Montreal	Canadian Colonial Airways Ltd., Montreal, P.Q.	108	Daily except Sunday.
Prince Albert—Goldfields	Canadian Airways Ltd., Winnipeg, Man.	465	1 round trip per week.
Prince Albert—Ile à la Crosse	" "	177	1 round trip per week.
Prince Albert—Lac la Ronge	" "	133	1 round trip per week.
Rouyn—Kewagama	General Airways Ltd., Toronto, Ont.	44	Approximately 121 round trips per annum.
Sioux Lookout—Pickle Crow	Canadian Airways Ltd., Winnipeg, Man.	125	Daily except Sundays and holidays.
Vancouver—Seattle	" "	122	Daily except Sunday.
Vancouver—Victoria	" "	61	Daily except Sunday.
Winnipeg—Gods Lake	" "	791 (round trip)	1 round trip per week.
Winnipeg—Pembina	Northwest Airlines, Inc., St. Paul, Minn., U.S.A.	66·4	Daily.

DURING CALENDAR YEAR 1936

Rate of Payment	Total Mileage	Total Poundage	Total Cost	Remarks
			$ cts.	
35c. per mile—700 lb. per round trip—excess at pro rata.	9,620	72,671	4,211 09	Discontinued 15-4-36.
$1,800.00 per winter season, excess of 225 lb. each way at pro rata.	3,212	3,446	2,148 40	(Winter only).
53c. per lb.	3,465	3,071	1,627 63	
$16,000.00 per annum for all mail up to 160,000 lb.—excess at 10c. per lb.	39,275	89,540	8,954 00	
	29,122	31,433	3,143 30	
	32,190	52,243	5,224 30	
	98,356	109,899	10,989 90	
80c. per mile	3,392	11,451	2,374 40	(Winter only).
12½c. per lb.	11,988	12,854	1,606 77	
$45,000.00 per annum	117,338	76,161	45,000 00	
Resolution-Rae 15c. per lb.—Rae-Cameron Bay 35c. per lb.	34,824	18,032	6,823 90	
10c. per lb. minimum of 2,000 lbs. per annum.	5,887	5,015	452 00	
12½c. per lb.	504	960	120 03	
$2,200.00 per annum excess of 600 lbs. per single trip at 4c. per lb.	3,950	4,764	835 42	Established 21-7-36.
$360.00 per annum 4,500 lbs. minimum, excess at 8c. per lb.	756	2,064	165 12	Established 18-11-36.
$600.00 per annum 6,000 lbs. minimum, excess at 10c. per lb.	4,390	10,809	1,105 10	
8c. per lb. 6,000 lb. minimum	2,450	3,597	287 76	Established 19-5-36 and discontinued 11-12-36.
$600.00 per annum 6,000 lbs. minimum, excess at 10c. per lb.	3,760	5,273	527 30	
$30.00 per round trip excess of 200 lbs. per trip each way at 15c. per lb.	3,520	18,062	2,416 28	(Winter only).
$20,000.00 per contract year for 100 p.c. performance.	62,500	245,500	20,005 65	
90c. per mile	50,538	46,175	44,640 00	
$1.25 per mail mile	16,014	42,676	20,034 38	(Summer only).
65c. per mile	16,096	29,796	10,462 40	
65c. per mile	8,364	23,961	5,436 34	Winter only.
65c. per mile	455	3,912	295 75	
59·96c. per mile	350	300	209 86	Re-arranged on close of Navigation 1936.
$19,987.50 per winter for 100 p.c. performance.	2,013	5,363	1,206 99	
	1,230	1,752	737 51	Winter only.
	91	554	54 56	
59·96c. per mile	224	166	134 31	
9c. per lb.	1,820	349	31 43	Established 1-10-36.
$1.00 per lb.	21,708	1,035	1,053 57	Established 27-7-36.
25c. per lb.	29,295	8,383	2,095 75	Established 13-7-36.
7c. per lb.	26,051	26,250	1,837 50	
$975.00 per annum 175 lbs. per round trip, excess at 10c. per lb.	1,550	5,383	371 57	Discontinued 17-4-36.
10c. per lb.	33,995	46,505	4,650 50	
50c. per mile	72,346	32,002	36,173 00	
35c. per lb.	29,890	1,912	669 20	Temporarily discontinued.
10c. per lb.	54,588	72,667	7,265 70	
40c. per mile	47,146	27,836	18,804 48	
	884,263	1,153,812	274,183 15	

Mr. GREEN: Last year most of the routes were in northern Canada. Can the minister state whether there has been an increase in the mail flown in the more thickly settled parts of the country?

Mr. ELLIOTT (Middlesex): The increase is to a great extent in territories which were otherwise inaccessible. I refer to mining areas, and districts of that kind.

Mr. GREEN: How much air mail goes out of Vancouver each day? I believe there is a very heavy air mail going out of that city.

Mr. ELLIOTT (Middlesex): Just a little over 32,000 pounds of mail goes out on the Vancouver-Seattle line.

Mr. GREEN: Is that per day?

Mr. ELLIOTT (Middlesex): That is for the calendar year. There were 1,912 pounds carried on the Vancouver-Victoria route.

Mr. GREEN: Last year the statement was made that this air mail was carried at a profit to the post office; is that still the case?

Mr. ELLIOTT (Middlesex): I do not think that was the case with regard to inter-city services, but it is the case with regard to some of the new services.

Mr. GREEN: What about the air mail as a whole?

Mr. ELLIOTT (Middlesex): The outlay for air mail is included in our total outlay. New air mail services have been inaugurated to some places which otherwise would not have any mail service. The mail may be carried by air only a small part of the trip. The total amount expended was $274,183 and the value to the department of the mail carried was something like $605,000. I repeat again that in many instances the mail is carried by air for only part of the trip and that is the value of the postage which we receive.

Mr. GREEN: I suppose air mail service is much cheaper in the north than mail service by dog team.

Mr. ELLIOTT (Middlesex): Where there is a fairly large quantity of air mail being carried, such as into the newer places, it is pretty profitable. However, I would not say that it is cheaper than the service by dog team. The cost varies with every route, but as a rule, except for first class mail, we charge an accordingly higher rate on account of the extra cost of the service.

Mr. GREEN: Can the minister give the total amount of mail carried by air in 1936, 1935, 1934, 1933 and possibly 1931?

Mr. ELLIOTT (Middlesex): The mileage for the last calendar year was 884,263 and 1,153,812 pounds were carried at a total cost of $274,803.

Mr. GREEN: What are the figures for 1933?

Mr. ELLIOTT (Middlesex): In 1933-34 the vote was $300,000, of which $270,600 was expended. In 1934-35 the vote was $300,000, of which $275,386 was expended. In 1935-36 the vote was $323,650, of which $266,382 was expended. In 1936-37 the vote was $290,000 and the estimated expenditure is $284,000.

Mr. GREEN: Has the minister the figures of the mail carried in 1933, 1934 and 1935?

Mr. ELLIOTT (Middlesex): In 1932-33 there were 454,303 pounds carried; in 1933-34, 592,758 pounds; in 1934-35, 691,767 pounds, and in 1935-36, 1,189,982 pounds.

Mr. GREEN: How much mail would have to be carried on the trans-Canada air route in order to make it profitable?

Mr. ELLIOTT (Middlesex): I do not think anyone could make a very accurate estimate of what it is going to cost.

Mr. GREEN: I understand a fairly close figure has been arrived at.

Mr. ELLIOTT (Middlesex): The information has not reached me.

Mr. GREEN: What is the position with respect to the transatlantic air mail service?

Mr. ELLIOTT (Middlesex): Negotiations are going on among various governments to complete arrangements for an air mail service across the Atlantic, but it is not expected that that will commence this year. I think the expectation last year was that it would commence in 1938.

Mr. GREEN: What is the estimated time for bringing mail from Great Britain to Canada?

Mr. ELLIOTT (Middlesex): I cannot give anything like an accurate estimate.

Mr. GREEN: Just approximately.

Mr. ELLIOTT (Middlesex): I would prefer not to say. The machines which are expected to carry the mail have not yet been built.

Mr. GREEN: Similar machines are in use in other parts of the empire by the Imperial Airways. Surely this could be determined within a few hours.

Mr. ELLIOTT (Middlesex): There is no reliable information available.

Mr. GREEN: Have negotiations been commenced for a transpacific air mail service?

Mr. ELLIOTT (Middlesex): No; there has been nothing with regard to that.

Mr. FAIR: Have any requests been received from small towns and rural districts to have the post offices remain open for four hours on holidays? In small towns where there are only two mails per week, it does not seem reasonable to have the post office kept open for four hours on holidays when the elevators and stores and everything else in the town are closed. There seems to be some objection to this in the section of the country from which I come, and I was wondering whether any requests had been made along these lines or whether it is just the general policy of the department. Generally, when the mail comes in, the people are there to receive it and the mail is handed out almost immediately. There is absolutely nothing for a postmaster or his helper to stay in the post office for and it seems to be a penalty placed on rural and small town post offices that is not at all necessary.

Mr. ELLIOTT (Middlesex): The rule with regard to the small post office is that it must be opened on holidays as well as other days to receive the incoming and to dispatch the outgoing mails. As for the rest of the day, in some of the offices there is a wicket service. If my hon. friend will give me the names of the particular place or places he has in mind, I can probably tell him fairly accurately just what the position is.

Mr. McIVOR: Why is it that there is an increase of $2,400 in the expenditure this year over last for the Fort William post office? Is it because Fort William is a growing city, or because of having to staff the new post office?

Mr. ELLIOTT (Middlesex): The increase of $2,400 is made up as follows: two statutory increases of $120 each, two statutory increases of $60 each, and $2,200 to provide for the reestablishment of an assistant postmastership, making a total of $2,580, from which there is a deduction of $180, being the difference between the salary of an employee who left the service and the salary of the employee who replaced him.

Mr. TUCKER: Various members of the official opposition have indicated very strongly to-night that during the last administration contracts were always awarded to the lowest tenderer. I should like to refer to sessional paper No. 126 of the first session of this parliament, which was brought down as a return to an order of the house, and in which the first question asked was this:

> According to the records of the Post Office Department, from August 7, 1930, to October 29, 1935, how many times the Postmaster General exercised the discretionary powers vested in him under section 67 of the Post Office Act, whereby mail contracts are not always awarded to the lowest tenderer.

And the answer to that was 829, so that hon. members who are contending that the last administration always awarded the contract to the lowest tenderer were out just 829 times. The next question was this:

> According to the records of the Post Office Department, from August 7, 1930, to October 29, 1935, how many mail contracts were awarded to persons who, not being originally the lowest tenderers, were allowed to reconsider their tender and reduce the figure thereof.

I venture to say that hon. members will be surprised that the number of cases where people were permitted to get the contract under those circumstances was 323. In view of these figures, I would ask the Postmaster General if he has been able to find out from his investigation of the records of the last administration, upon what basis they awarded mail contracts; further, if he thinks this system of allowing people who did not submit the lowest tender to re-tender at the amount of the lowest tender and take the contract away from the lowest tenderer was in accord with the Post Office Act, and whether, in accordance with the Post Office Act, when the lowest tenderer did not get the contract, a return was made to parliament by the Postmaster General indicating why the lowest tenderer in each case did not receive the contract.

Mr. ELLIOTT (Middlesex): During the time I have been in the department I have found my time fairly well occupied with matters that arise from day to day, and I have not the information which my hon. friend asks for, but I suppose it could be obtained. I would suggest to him, however, that I doubt if it would facilitate the passing of the estimates which we have been considering now for some time for us to enter into such a discussion at the moment. I should be glad to obtain any information which the hon. gentleman desires, although he already seems to have provided himself with a considerable amount. I do not think, however, it properly comes under the item under discussion.

Mr. STEWART: If the hon. gentleman who has just spoken on this subject (Mr. Tucker) wished to complete the record, I think he ought to ask the minister how many contracts since he came into office have not gone to the lowest tenderer, and how many instances there have been similar to those mentioned in the return. The explanation in regard to some of these within my own knowledge is perfectly simple. Occasionally the man who has submitted the lowest tender reconsiders it and refuses to enter into the contract when it is offered to him. I am sure the minister has had experiences of that kind. I know I have in the constituency I represent. When the man was asked to take the contract at the amount of his tender, he refused because he had reconsidered the matter and found out that it was not profitable to him to complete the contract. That occurs from time to time.

Now that we have returned to the subject, I should like to place before the minister one or two representations in connection with rural mail contracts. These contracts contain a clause which permits cancellation of the contract upon, I think, two months' notice. Still, I think a contract ought to be a contract. I know of cases where representations have been made to rearrange routes with a view, upon some pretext or another, to terminating the contract and having new tenders called for. I have called one or two such instances to the attention of the minister and he has looked into them. All I ask is that in other instances of this kind where the contract has been entered into in good faith, where good service is being rendered, and where petitions are presented for a continuance of the service on the lines that have been established, these contracts shall not lightly be set aside simply on a patronage basis or because it is the desire to put up the contract for tender in order to give some other person a chance to tender upon the route. That is all I wish to bring to the minister's attention in connection with these contracts in the constituency which I represent.

As to the other class of cases, where a man was allowed to reduce his tender to the amount of the lowest tender, I do not know of anything of that kind in my constituency. I do not know what the reason might be, but there must be some. Possibly it might occur where a man has a contract and has been giving good service, and somebody has underbid him. Petitions come in asking for the service to be continued under the former contractor at the lower rate. I am sure the minister, if he investigated, would find some special circumstances in these instances. There is a danger, as the minister knows, in accepting statements of this kind of a rough and general nature, without going into the details. I am sure the hon. gentleman would find out before very long that there are instances where an action of this kind is justified.

Mr. ELLIOTT (Middlesex): First of all, with regard to the notice, there is a clause providing for notice. I recall no instance, in recent years at any rate, where a contract that was being performed well was terminated by exercising the notice in the contract, unless there was a change to be made in the route or the system of routes of which that route was a part. Then, as to contracts not going to the lowest tenderer, the act is imperative that they shall go to the lowest tenderer unless the Postmaster General knows of some reason why it is not in the public interest that they should go to him. The Department of Justice has given a ruling defining what are the instances when the authority under that clause should be exercised. Unsatisfactory service is one.

Mr. STEWART: The character of the applicant is another.

Mr. ELLIOTT (Middlesex): The character of the applicant is another. If he has been convicted of a crime. In certain instances, if he is not a British subject and British subjects are available for the service. Also of course, drunkenness on the route. I think these exhaust the list set out by the department as being within the exception mentioned in section 67 of the act.

Mr. TOMLINSON: I desire to add a word, in answer to an hon. member, as to the alteration of figures in contracts by the former administration. They did give this particular contract to the tenderer at $480. One year afterwards they raised the amount by $10 a month. The following year, without tender, they increased it a further $10 a month. I should like to know who authorized the payment of that extra money.

Mr. LENNARD: Did I understand the minister to say the other evening that he had had no complaints from postal or labour organizations about letter carriers having to work on statutory holidays and Saturday afternoons?

Mr. ELLIOTT (Middlesex): My statement was that the trades and labour council, which meets the government annually, interviewed the government some weeks after these changes were made, and there was not one mention, by way of protest, of the men working on statutory holidays.

Mr. LENNARD: Has the minister received protests from different branches of the Federated Association of Letter Carriers?

Mr. ELLIOTT (Middlesex): Yes, some protests have been received. Perhaps I should say that some reference was made the other evening, I think by the hon. member for Winnipeg North (Mr. Heaps) as to who were the officials of the various services who waited on the government and discussed with them these changes before they were actually put into effect. I have the list of those officials. The organizations included the Amalgamated Civil Servants and the Union of Postal Employees. They came to see me a day or two after the announcement was made, which I think was about November 24. As I recollect, we had a meeting on November 27 and discussed the matter most of the morning. The position taken was that if the service were deemed necessary, the employees should be paid for the overtime, and that the forty-four hour week should not be exceeded. There was a further request that the arrangement should not be put into effect for a week later. At that time, I believe, we intended to put it into effect on November 28. They requested that it be deferred one week. That request was granted. I think the object was to enable them to have some consultation with those whom they represented. A matter of a day or two days was spent in consultation with the officials as to how best the plan could be worked out. It was pointed out to them that the time which would be most useful by way of relieving the difficult unemployment situation in the winter time would be prior to March 1, and while some of them felt that they would prefer to be able to take their week off at some other time, it was generally agreed, I think, that that was the most reasonable proposition, for the half day off each Saturday meant, of course, practically twenty-six days in the year. They were given one week off for every eleven Saturday afternoons that they put in. While, probably, they still would have preferred to be paid for the extra time rather than receive time off, the arrangement was fairly well received by those officials. I can give the list of officials if my hon. friend wishes to hear it. I have it before me.

Mr. LENNARD: No; I do not wish that.

Mr. MAYBANK: I am pleased, in a way, that this subject has been raised. I must also say that, in a way, I regret it, because I feel that it falls on me to state frankly my strong and emphatic dissent from the policy of administration in regard to this change in post office deliveries. To me the sudden taking away—as I have thought, without any consultation at all—of holiday time and Saturday half holiday time from postal employees after they had enjoyed it for years, amounts really to a turning back of the hands of the clock. In industry the half holiday has become practically a world-wide institution; indeed, there is a considerable tendency toward what is called the five day week. Labour, both organized and unorganized, has had a long and hard struggle to get to the point of having a half holiday and statutory holidays recognized as an almost inalienable right. Indeed, I was confident that it had come to be recognized as inalienable. However, that turns out not to be the case.

I wonder what possible representations could have been made in favour of this change. I have placed a series of questions on the order paper asking for that information. I feel sure there must have been representations in favour of it; yet I wonder what survey was made first with reference to it. I say that because, after the institution of this change making for greater frequency, all manner of friends and acquaintances in business asked me what the dickens was the idea of delivering mail around to empty offices on Saturday afternoons and Christmas day as well as on New Year's day and other statutory holidays. On a Saturday afternoon and again on Christmas day—and this last Christmas period was a long week-end—people went to their offices and found their floors piled with a litter of mail of one kind and another. So far as people in the residences were concerned, the only kind of mail that was delivered to them consisted of belated Christmas cards, which surely, in all conscience they could have waited for until a day or two after Christmas. The good wishes of their friends would have been equally acceptable to them after Christmas as on Christmas day, morning and afternoon. I remember when the mail was formerly delivered on Christmas, and I can remember the change, and recall there was universal satisfaction over that change and the fact that the postie could stay at home with his wife and kiddies the same as other men.

I look at the position of the postman pretty much the same as I do with relation to myself. I was in Ottawa prior to Christmas and was afraid that I should have to stay over; I made every possible effort to catch a train, and if necessary I was thinking of taking an aeroplane to get home in time for Christmas. Why? Because, like every other man, I wanted to lie on the floor with the kiddies and play with them all day and do

nothing in the way of the ordinary duties of life. And I regard myself in that respect as no different from any postman. In my opinion, the proper place for him on Christmas day is at home with his family.

I understand it was suggested that it was desirable to make certain the delivery of air mail. If that is the case, this could be effected without this very radical change which has been made. I also understand, though I speak subject to correction, that this scheme was not carried out in all cities of the dominion. I am not sure of that, but I have been so informed. I have put on the order paper a question in that regard. I want to say this as a Canadian of Anglo-Saxon lineage and not of French lineage. If the Canadians of French lineage were able by pressure or influence to obtain any special consideration for themselves and their postmen in this respect, more power to them. Any pressure or influence which was used in that regard was brought to bear, in my opinion, in the service, shall we say, of a humane institution in our life, and if they did succeed they certainly have my admiration.

I cannot believe that the action taken would make for any great improvement in the unemployment situation. A return was brought down in the house to some questions of mine a few days ago as to the number of persons it was estimated would be employed as a result of the change, and the information is, 478 throughout the dominion and 33 in the province from which I come. I doubt very much whether that will turn out to be the case because mail delivered Saturday afternoon will lie unopened until Monday and there will be a slackening at the beginning of the week and a slackening after the holidays, which there would not have been if it had not been for this unusual delivery.

Some reference has been made to organized labour and the representations it has made, and I wish to place on record the statement of the Amalgamated Civil Servants of Canada made to me with reference to this question of extra employment or assistance in solving the unemployment problem. The letter addressed to me is dated January 25, and is from the president of that organization. I quote:

> Extra employment can well be given to government employees who do not now enjoy the forty-four hour week. Here are some examples: Firemen in the Department of Defence work a seven-day week, eight hours per day; hospital orderlies in some parts of Canada work a six-day week, twelve hours per day; inspectors in the Department of Agriculture work a six-day week, nine hours per day; canal employees work seven days per week, eight hours per day and yet some people on the outskirts of cities receive only one mail per day while formerly they had two deliveries a day.

The letter goes on to state that extra staffs have been requested in various departments, but without success. I am also impressed with what they told me about other grievances they have. I was surprised and pleased as well to learn from the Postmaster General that a conference had been held with the employees. In the same letter they say:

> It is felt that the principle of collective bargaining has been set aside in this case and many others. The organization are of the opinion that the officials of the P.O. Department and the representatives of the organizations should have been consulted before the order was issued and it is reasonable to suppose that had this been done, in all probability the order would have been a great deal more acceptable to the staff.

In my opinion the only satisfactory way for an employer to deal with a large number of employees is to deal with them, in all important matters, in advance of decisions affecting them. That is to say, the principle of collective bargaining should be applied. I do not suggest that it should be carried to the nth degree, but it should be recognized in the normal acceptation of the term. We have on our statutes, affecting other industry, what is known as the Conciliation and Labour Act. I cannot quote the section, but it is one of the principles of that act that changes in hours of labour and working conditions shall not be made by an employer until he has given notice to his employees and given them an opportunity of protesting. That is the policy we ought to follow. The government of this country is one of the largest employers of labour in the country, if not the largest. Canada should follow that principle in dealing with its employees. We ought to be the model employer of this country and not lag behind the principles in our own statutes. We ought to be at all times on the qui vive to discover abuses in respect to employment in the various departments of the civil service and to rectify them without waiting until there is widespread complaint. Just this word further with reference to these complaints. Since this new plan went into force, I have not met one citizen in my city who is particularly in favour of it, and every person to whom I have spoken has expressed his disapproval, particularly in regard to the removal of statutory holidays. In addition, a large number, of their own volition, have come to me protesting about it. It is my hope that the

government will reconsider this edict with reference to frequency of delivery, which affects these men in the way I have suggested, and make some change in it.

Mr. LENNARD: Supplementing what the hon. member for Winnipeg South Centre (Mr. Maybank) has just said, I may say, in reference to the business men of Hamilton, Ontario, that I have myself circularized a good many of them and I have not found one who is in favour of this holiday and Saturday afternoon delivery. Furthermore, not one of the letter carriers or the staff of the Hamilton post office is in favour of this change. I therefore urge that this regulation be rescinded.

Mr. TOLMIE: Is there any air mail service between Victoria and Seattle?

Mr. ELLIOTT (Middlesex): No. There is between Vancouver and Seattle and between Vancouver and Victoria, but I understand there is not one between Victoria and Seattle.

Mr. TOLMIE: Do they still carry the mails arriving by transpacific steamers at Victoria, from there to Seattle by air? If so, who pays for that?

Mr. ELLIOTT (Middlesex): No; I am advised that that has been discontinued? It is not a Canadian service.

Mr. MacINNIS: The hon. member for Winnipeg South Centre (Mr. Maybank), if I heard him aright, said that there was no mail delivery in certain cities on Christmas day. Would the Postmaster General tell the committee whether that is the case, and if so, what were the cities in which there were no deliveries on that day?

Mr. ELLIOTT (Middlesex): There were protests from some cities, one in particular. In the city of Quebec objections were made on religious grounds, and the matter was left in the hands of the postmaster with authority to exercise his discretion. That, in fact, is nothing new in postal administration. In the offices where there is fairly large business the postmaster is now the district superintendent as well, and he is authorized to exercise a certain amount of discretion with regard to delivery on religious holidays, so long as the mail is cleared. I am told that the mail was cleared on Christmas eve; everything was out, so that there was no danger of a glut the following day.

Mr. MacINNIS: Was Quebec the only city?

Mr. ELLIOTT (Middlesex): I think it was the only city. In Montreal and Sherbrooke, for instance, the population is more mixed; the volume of mail did not permit of closing on the holidays, and the employees worked on the holidays where it was necessary to get the mail out.

Mr. MacINNIS: It is not yet clear to me from the Postmaster General's answer whether there was mail delivery in Montreal on Christmas day or not. That could be answered yes or no.

Mr. ELLIOTT (Middlesex): Yes, there was delivery in Montreal.

Mr. NEILL: Without going into the main question of the government's policy in this regard, I should like to ask the Postmaster General if he could not see his way to allow some discretion, say to the district superintendent in dealing with small country post offices. I shall take an extreme case—but it goes all the way from there up—where the mail comes once a week by boat, very often on a Sunday. The post office is open on that Sunday; that is the regular custom in the country. The boat does not come back until the following Sunday. The postmaster or postmistress gets $100 a year—not a month. Along about Thursday she may take a notion to go out and pick berries or see some old friend down the bay; then someone writes in and complains and asks that she be fired because she is not adhering to the rules and keeping the post office open six days a week, although she kept it open on Sunday. In cases like that no good is done by maintaining the strict letter of the law, and I am sure it would not be abused if the minister would allow the district superintendent some discretion in dealing with such cases. These cases exist to my knowledge in little country places where for an afternoon the office could be closed and never be missed by the bulk of the people.

Mr. ELLIOTT (Middlesex): That was the practice in the old days when we had service on these holidays, the practice followed in Quebec and it may be in one or two other places, but I am not aware of it. I know it was asked for in a couple of other places where the postmasters reported that the mail was so heavy that they would have congestion on the day following Christmas if the holiday were observed. In those places it was cleared. It might be interesting to my hon. friend to refer to what took place in the old days when we had service on Christmas day and New Year's day, as well as Saturday afternoons.

That is not very long ago. Gradually we got away from those services, a day or half a day at a time. But in those instances, even in the old days, the district director, or the postmaster, in the large post offices, who exercised the same authority as the district director, was given a certain amount of discretion.

Mr. NEILL: The minister has not got my point at all. I was not talking about cities or about statutory holidays, I was asking about a weekly half day closing in small country post offices where you could put the mail in your two pockets, and where it comes in perhaps once a week. I was suggesting that he allow the district superintendent, of whom he talks, to exercise discretion to give permission in those small remote country places, which sometimes keep their offices open on Sunday, to take a half day off on some other day of the week. That could be done, when mail comes in only once or twice a week. That is the situation to which I should like to call his attention.

Mr. ELLIOTT (Middlesex): I assume my hon. friend would take it for granted that if we were doing it in the larger places, we would give the district director power to exercise discretion in the smaller places.

Mr. NEILL: Will the minister give that discretion?

Mr. ELLIOTT (Middlesex): Yes, we do.

Mr. RYAN: Do I understand the minister to say that the policy will be to give the district superintendents jurisdiction to exercise discretion in cities, as to the delivery of mails on Saturday afternoons and holidays?

Mr. ELLIOTT (Middlesex): This is only in cities where the bulk of the mail is not so large that it cannot be cleared on the following day. In a city like Toronto or Montreal it will be impossible, with mails like we had this Christmas. No persons would be more in favour of getting the mail out on Christmas day than district directors, who know what it means to allow a congestion on that day. But in the cities such as I have mentioned, and in the instance mentioned by the hon. member, there will be a discretion similar to that exercised in the old days. The district directors will exercise reasonable judgment, so long as they can get the service and get the mail out on the following day.

Mr. RYAN: I thank the Postmaster General for that explanation, and would ask that he consider the city of Saint John. I join with some other hon. members in protesting against the deliveries. I do that not in an idle way but because I have had many protests concerning them. In the summer months Saturday afternoons are half holidays, and many people go to their summer residences. As a result, it is next to impossible on such days for the postmen to deliver mail. The same applies equally in cities of about 60,000 population, such as Saint John. I put the matter seriously, and I am pleased to hear the Postmaster General say that discretion is to be left with the district superintendent. I am satisfied, if the district superintendent is given the opportunity to canvass, and makes a report back to the Postmaster General, he will bring some beneficial information and will help to solve some of the difficulties.

I make these observations to-night because I have been waited upon not only by those engaged in the postal service but also by residents who have brought to my attention what they considered to be more or less of a hardship and an injustice upon employees. I am pleased to hear the Postmaster General give us the assurance that to a certain extent discretion will be given the superintendent.

Mr. BROOKS: I should like to ask the Postmaster General a question concerning the attitude of the department in connection with the appointment and dismissal of returned men. Lately we have heard a great deal about the employment of these men. A commission has been appointed to look after the providing of employment for them. My attention has been called to a great many dismissals of returned men recently from the postal service. Also, I have been informed that returned men who were qualified for the work have not been obtaining the preference.

Mr. FINN: Where?

Mr. BROOKS: One instance was called to my attention recently. It had reference to the town of Woodstock, New Brunswick, a town of over 3,000 people. The vacancy occurred following the death of the former postmaster, and some four or five returned men applied. However, when the appointment was made, it was given to a man sixty-five years of age, a Mr. Creighton from that town, who had been chairman of the Liberal organization for the town of Woodstock. Protest was made by the different returned men's organizations in the town and in the province of New Brunswick.

While discussing the matter, I should like to call attention to certain dismissals. I am not going to mention all of them, because there have been quite a number, but would draw

the minister's attention particularly to one which occurred last year at Canterbury Station in the county of York, New Brunswick. The postmaster was a returned man. A complaint went to the member for York-Sunbury (Mr. Clark) and he, in turn, wrote the department stating a complaint had come to him that this man had been partisan, and that during the election he had taken an active part. The Postmaster General, or his department, wrote the member explaining the necessary procedure to have investigation and a commission appointed. One of the requisites was that affidavits be forwarded to the department, and that certain persons agree that they would furnish information when the commission was formed. I have a sessional paper before me containing correspondence in connection with the matter. A very weak affidavit, which meant almost nothing, was made. After receiving the affidavit and other information, the department evidently decided there was not sufficient information upon which to base a commission. So, no doubt through his advisers from that section, the hon. member for York-Sunbury decided to try another scheme. He then stated that the people were not satisfied, and that the location was not central. Any person who knows the village of Canterbury Station knows that it is a small one.

Mr. ELLIOTT (Middlesex): I assume the committee does not intend to pass the item.

Mr. BROOKS: It is eleven o'clock.

Progress reported.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Monday, February 15, 1937

The house met at three o'clock.

THE LATE MATTHEW McKAY

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, hon. members will have observed from this morning's press that since the house adjourned on Friday evening last another hon. member has been taken from our midst by the hand of death, the member for Renfrew North, Doctor Matthew McKay. Doctor McKay's death is the fifth since its last session, that has taken place in the membership of this house; he is the fourth hon. member to have been taken from this side of the house.

Doctor McKay was one of the oldest members of parliament. There seems to have been some doubt as to whether he was the oldest member of this house. I believe it is a fact that Doctor McKay was born in Simcoe county, Ontario, on October 5, 1855. In terms of actual years, therefore, it would appear that he was the oldest member of the House of Commons. Be that as it may, his appearance certainly belied his years; few men of advanced years have appeared keener or more active than did Doctor McKay. His vivid personality and his energetic ways would have led one to believe that he was nearer sixty than eighty.

It is a little difficult for those who were not in the house with Doctor McKay from 1921 to 1925 to appreciate, what his life meant to this House of Commons and to the country. Indeed, it is difficult to judge from the doctor's years in parliament how continuous, how keen and persistent was his interest in public affairs. He was in point of fact, a member of this House of Commons only during the present parliament and the parliament of 1921 to 1925, though he was a candidate in the general elections of 1926 and of 1930. He took in the house very little part in debate; singularly enough, while he was fearless and outspoken on the public platform, owing to a certain timidity of nature or reserve he hesitated to speak to any extent in the House of Commons. The number of his speeches was very few indeed. It would be a mistake, however, to attempt to measure, simply by his achievements in the House of Commons, the influence in public life of one who has played an important part in public affairs. It would be indeed unfortunate for public life itself if the most useful public activities were necessarily restricted to membership in parliament. Doctor McKay all through his life had been deeply interested not only in municipal affairs of the community in which he lived, but also in provincial politics and federal politics. He was one who believed it was possible to render great service to his country through serving well the political party whose interests he believed it was best for him to serve. He looked upon a party not as an end in itself, but as a means to an end, a means whereby men and women who feel and think alike on great problems are able to unite their efforts to ensure the putting into effect of principles and policies in which they believe. It is difficult to express how much a political party owes to men of Doctor McKay's type.

Their politics are based upon principle, and for principle they are prepared to make almost any sacrifice, no matter how great. They never know the meaning of defeat. To them the justice of the cause is everything.

Doctor McKay had deep convictions with respect to Liberal principals and policies. As regards old country politics, he was very much of the school of Mr. Gladstone. In federal politics he was a loyal, ardent and uncompromising follower of Sir Wilfrid Laurier; in provincial affairs he was one of the school of Oliver Mowat. Doctor McKay was familiar in all their details with the politics of the part of the country in which he lived. He was one to whom leaders went to seek counsel and advice with respect to policies and as regards the conditions governing in their respective communities. His name and his interests had an immediate association with what we speak of as the Ottawa valley. It might almost be said that there has not been a political battle, either provincial or federal, of any significance fought in the Ottawa valley in the last fifty years in which Doctor McKay did not participate or with respect to which in some capacity his political services were not sought on behalf of the party to which he belonged. I imagine he rather liked to be thought of as a political war-horse, and indeed he was that in every sense of the word. I can think of no one in our public life more deserving of the term "old reliable." For these reasons he played the all-important part which he did over a period, as I have said, of fifty years.

It would be a great mistake, reflecting on a life of service as long as that which the doctor enjoyed, realizing the extent of his achievements, of the honours which crowned his efforts towards the end, to think at this time only, or mostly, of the loss which we of this House of Commons have sustained. Rather may we rejoice at what has been given by way of inspiration, by such a life and such an example, to the young people of our country who have a desire for community and public service and who hope to play a part in public affairs.

Within a few months, Doctor and Mrs. McKay would have celebrated their golden wedding anniversary. This morning, as I was writing a line of sympathy to Mrs. McKay, there came suddenly to my mind those lines of Robert Browning:

> Grow old along with me!
> The best is yet to be,
> The last of life, for which the first was made;

"for which the first was made." I could not but think that when fifty years ago Doctor and Mrs. McKay began life together in Pembroke, his public as well as his married and professional life was then just having its beginnings. He brought to his profession and to the community a mind well trained and stored with information gathered at the public school, at the normal school and at Queen's university. He brought habits of industry as well as habits of thought, and these he sought to turn not alone to his individual and personal advantage, and to the furtherance of the work of his profession, but also to the good of the community in which he lived. He there began the bringing up of a young family, seeking to give to his children educational advantages greater even than those which, as a lad, he himself had been privileged to enjoy. He began to interest himself in community activities and public work, serving at one time on the school board, at another in municipal affairs, and offering himself on different occasions as a candidate for parliament. He became president of the political association of his party and, increasingly the moving spirit in its affairs.

Such were the beginnings of his life. Let us look for a moment at "the last of life, for which the first was made." We see him at the close of life occupying a foremost position in his profession, and looked to by the community generally for guidance and direction in its different activities. We see him with children grown up, themselves taking an honourable part in affairs, and surrounded by grandchildren, bringing their comfort and their cheer to his advancing years. We see him when nearly eighty years of age, signally honoured by his fellow citizens as mayor of the town in which for fifty years he had lived and carried on his work. We see him at the same great age returned a second time, and with a large majority to the parliament of Canada as a member for the constituency in which he had lived throughout that half century of time. More than that, we see him, as his life draws to its close, a national figure much respected by members of parliament of all political parties, and greatly beloved by those of the party to whom he belonged.

For such a life we have reason to be deeply thankful. It is true that we shall miss him keenly, particularly those of us on this side; our loss is very great indeed. I am sure that to every one of us, as I know it is to myself, the doctor's sudden passing has brought a

sense of personal loss which it would be difficult to describe. We shall miss him about these halls. We shall miss him in our political gatherings. We shall miss him in our campaigns. But we shall be grateful always, I believe, that one who was spared to serve his country up to eighty years of age and beyond has left behind a career so honourable and a name so greatly honoured.

Right Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, I should like to join with the leader of the house in his expression of the loss which the house has suffered through the death of one of its number—which reminds me that the sickle of the grim reaper has been very busy of late in this chamber. I should like also to join in offering my sympathy to the right hon. gentleman and his party in the loss they have sustained through the passing of an experienced supporter of their cause and their principles. Doctor McKay was not personally well known to me, but I knew him as a doughty warrior, as one who had firm convictions as to the policies of his party and a robust and vigorous manner of expressing them. That he occupied a very important place in the councils of his party was apparent, I think, to us all.

It is somewhat difficult to look back upon a life that extended over so many years. He was a boy of twelve when confederation was accomplished, and, if my information is correct, he participated in every general election from 1873 to 1935. He was familiar with the giants of the Liberal party in its early days, and he might be regarded as a cross-section of that fine type of Scotsman that came into Canada in the early days and made so great a contribution to the laying of our foundations, legislatively and otherwise. The firmness of his convictions reminds one of Morley's observation that fidelity to conviction is one of the mainsprings of human progress. There are those who would seriously differ from that view, but I think that Doctor McKay's life, his work and his experience, were eminent justification of its soundness.

In this Ottawa valley, and particularly in the community in which he lived, Doctor McKay played a noble part. He was known to almost everyone of importance in his riding and many who were not of his party, and, as the leader of the house has said, his contribution to the public life of this country may be measured, not by his presence or absence from this house, but rather by the influence of an example in public and private life that cannot but be of the utmost value in the years that are before us. For it has well been said by one whose name escapes me, that if a star were quenched on high, its light still travelling on would influence men for many years.

> So, when a great man dies,
> For years beyond our ken,
> The light he leaves behind him lies
> Upon the paths of men.

It may be said of Doctor McKay, not that he was a great parliamentarian, not that he participated actively in the legislation of the house, but rather that, by the influence of his example in his profession, in his public service to his community, in his service through small organizations that are so vital to the creation of sound public opinion, in the councils of his party, on the hustings, and, if I may use the term, in the organization work of his party—believing that party was intended to serve the public and existed for the state and not the individual—his life was indeed one of great usefulness to this country.

It is a tribute to him that after nearly fourscore years of life in the community he was elected to the House of Commons in 1935, when he was about eighty years of age. That in itself is a striking tribute to his qualities of heart and of mind and to the influence of his life upon his fellow citizens; for it does not often happen thus, especially in view of the fact that he had had but one term in this house during all those years.

I can only say how sincerely we on this side of the house regret his passing; for it is the severing of one of the links that join the present to the remote past—the passing of one who was able to speak intimately and with knowledge of the men who in days gone by, in the chamber of the Commons House of Parliament, did much to lay the foundations of the dominion as we now know it. It may well be said of him that he has passed to his fathers having lived a life full of good works; and those who are left behind him can say of him:

> Life's race well run,
> Life's work well done,
> Life's victory won,
> Now cometh rest.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Those of us who have been for any number of years in the house will recognize, I believe, Doctor McKay's keen interest in public affairs and in people. Undoubtedly he was a strong party man, but I think we all came to realize that he was also a friendly man, and perhaps now that he has gone we think particularly of his friendliness. I desire to express on behalf of

the members of this group our appreciation of his work in the house and to extend our sympathy to those whom he leaves behind.

Mr. J. H. BLACKMORE (Lethbridge): May I join my voice in honouring Doctor McKay? I might tell a little incident from his life which, I believe, will be to his credit in times like these. Last year he arranged, entirely without my previous knowledge, to have me invited to speak upon the new economics in one of the important cities in his riding. In telling me about it just before I went he said, "I wanted those leading men to know what reformers to-day are thinking and their reasons for so thinking." A man of eighty who is as open-minded as that has merited the esteem of all men, and to Doctor McKay the group which I represent accords that tribute.

Mr. JEAN-FRANÇOIS POULIOT (Témiscouata): As a private member from the province of Quebec may I pay my humble tribute to the memory of a very dear friend who has just passed. Doctor McKay belonged to the old traditionalists of the province of Ontario. He was of Scotch and Irish extraction. He was a man of very deep convictions and as the leader of the opposition (Mr. Bennett) has just said, he had taken part in every campaign in his constituency and as well in other parts of the good old province of Ontario. Did you notice, Mr. Speaker, that he was sixty-three in 1921 when he ran for the first time? He was elected on that occasion and up to last week was one of the very few members then in this chamber who were in this house when I came here in 1924. In 1926 he was sixty-eight and he ran again in the elections though he was defeated. But he was not downhearted, for in 1930 he ran again. He was again defeated, and at that time he was seventy-two. But in 1935, when he was seventy-seven, he had the joy of his life; for then he had the satisfaction of knowing that his principles and his views were again accepted by his own electors who were his friends. On many occasions I went to him for advice, and I never regretted having done so. I shall honour his memory for a long time, and I may say that in his departure I have suffered the loss of a very dear friend. The life of a man of such deep convictions is a lesson to all of us and especially to the young. If they will cherish their convictions as Doctor McKay did his, they will enjoy the same respect from their fellow citizens.

Mr. DANIEL McIVOR (Fort William): I should like to pay my tribute to Doctor McKay in recalling the last word he spoke. Last week he invited some of us to attend the play-offs in the junior hockey league when the Pembroke junior team got into the finals, and he said to me, "It is our duty to encourage our youth in clean sport, and I hope you will have time to attend the game."

RAILWAY ACT AMENDMENT

Mr. O. L. BOULANGER (Bellechasse) moved for leave to introduce Bill No. 20, to amend the Railway Act.

Some hon. MEMBERS: Explain.

Mr. BOULANGER: The object of the bill is to amend the Railway Act in order to give jurisdiction to the board of railway commissioners instead of following the ordinary course, in cases of damages caused by the erection of snow fences.

Motion agreed to and bill read the first time.

GOVERNMENT RAILWAYS ACT

Mr. O. L. BOULANGER (Bellechasse) moved for leave to introduce Bill No. 21, to amend the Government Railways Act.

He said: The object is the same as that of the bill I have just presented.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

CANADIAN WHEAT BOARD—CARRY-OVER

Mr. COLDWELL:

1. Was surplus wheat held by the wheat board at July 31 last, from the 1935 crop of wheat, from previous crops or both?

2. How was the unsold surplus divided between crops of various years?

3. Does the government consider that the farmers have any share or interest in such surpluses?

4. Can the farmers expect any further payments from such surpluses?

5. If so, when, approximately, will the cheques be issued?

Mr. ROGERS:

1. Yes, from the 1935 crop also from wheat purchased by the Canadian Wheat Board from the Canadian Co-operative Wheat Producers Limited.

2. 2,030,761 bushels of 1935 crop, 82,667,891 bushels of wheat purchased from Canadian Co-operative Wheat Producers Ltd.

3. The report of the wheat board indicates that there is no surplus profit on the crop of 1935 to be distributed.

4. Answered by No. 3.

5. Answered by No. 3.

RETURNED SOLDIERS' PENSIONS AND MEDICAL TREATMENT

Mr. MacNEIL:

1. What steps have been taken to implement the recommendation of the special committee on pensions and returned soldiers' problems as approved last session, that a board of psychiatrists and neurologists be convened to consider pensions and medical treatment policy as affecting mental, psychopathic, or neuropathic disabilities?

2. If such board has been convened, what is its personnel?

3. Have the findings of such board been reported upon to the Department of Pensions and National Health, and will such findings be made available for consideration of the House of Commons?

Mr. POWER:

1. The board was duly convened.

2. Dr. R. Angrove, Chief, Neuropsychiatric Services, Ste. Anne's Hospital.

Dr. W. Baillie, Chief Neuropsychiatric Services, Christie St. Hospital, Toronto. Secretary, Academy of Medicine, (Neuropsychiatric Section).

Dr. Gaston Lefebvre de Bellefeuille, Professor of Neuropsychiatry, University of Montreal.

Dr. George Boyer, Toronto, Chief, Consultant Division, Toronto General Hospital, Faculty of Medicine, Toronto University.

Dr. J. P. S. Cathcart, Chief, Neuropsychiatric Services, Dept. Pensions and National Health.

Dr. Harry Dover, Consultant Neuropsychiatrist, Ottawa Civic Hospital.

Dr. C. B. Farrar, Professor of Psychiatry, University of Toronto. Director of Toronto Psychiatric Hospital, Toronto.

Dr. S. M. Fisher, Instructor in Medicine, University of Western Ontario.

Dr. A. A. Fletcher, University of Toronto Faculty of Medicine. Consultant Neuropsychiatrist, Toronto General Hospital.

Dr. Grant Fleming, Dean, Faculty of Medicine, McGill University. Professor of Public Health and Preventive Medicine, McGill University Medical Director, Canadian National Committee on Mental Hygiene.

Dr. W. Leslie, Chief, Neuropsychiatric Service, Deer Lodge Hospital, Winnipeg.

Dr. Hugh Laidlaw, Chief, Pathological Services, Ottawa General Hospital.

Dr. F. H. Mackay, Professor in Neurology, McGill University. Chief, Neurological Division, Montreal General Hospital.

Dr. George Mason, Calgary. Chief Consultant Psychiatrist, Province of Alberta.

Dr. A. T. Mathers, Winnipeg. Dean, Faculty of Medicine, University of Manitoba. Director, Winnipeg Neuropsychiatric Hospital. Chief Psychiatrist, Provincial Services.

Dr. W. J. McLean, Lecturer, University of Western Ontario. Chief, Neuropsychiatric Division, Westminster Hospital.

Dr. W. T. B. Mitchell, Associate Professor, Mental Hygiene, McGill University. Chief, Provincial Mental Hygiene Clinic, Montreal.

Dr. Daniel Plouffe, Chief, Neuropsychiatric Services, Province of Quebec. Superintendent Bordeaux Hospital for Insane.

Dr. C. S. Roy, Superintendent, St. Michel Archange Asylum, Mastai, P.Q.

Dr. Colin Russel, Clinical Professor of Neurology, McGill University. Chief, Medical Division, Montreal Neurological Institute.

Dr. R. S. Stevens, Medical Consultant, Ottawa Civic Hospital.

Dr. G. H. Stevenson, Superintendent, Ontario Hospital, London, Ont. Professor of Psychiatry, University of Western Ontario.

3. Yes. The findings of the Board of Psychiatrists and Neurologists were laid on the table of the house to-day.

VICTORIA, B.C., MARINE HOSPITAL

Mr. TOLMIE:

1. By clause G of section 5 of the terms of union between the Dominion of Canada and the crown colony of British Columbia, did the Dominion of Canada agree to defray the charges of a marine hospital at Victoria?

2. Did the Dominion of Canada cease to defray the charges of such marine hospital at Victoria? If so, when?

3. If the Dominion of Canada does not now defray such charges for a marine hospital at Victoria, does the Dominion of Canada make any provisions for hospitalization for such patients as were contemplated when the act of union was entered upon?

4. Has the Dominion of Canada made any agreements for the care of such patients in the Royal Jubilee hospital at the city of Victoria?

5. Does the dominion government make any annual donation to the Royal Jubilee hospital at Victoria in lieu of the maintenance at Victoria of a marine hospital?

6. Has the dominion government considered making an annual donation to the Royal Jubilee hospital at Victoria in lieu of maintaining a marine hospital at Victoria?

Mr. POWER:

1. Yes.

2. The following resolution of the legislature of British Columbia was passed on the 28th February, 1911:

Whereas by an agreement bearing date the twenty-fifth day of October, 1910, made by and between His Majesty King George V, in right of his province of British Columbia, represented by the Honourable Richard McBride as his trustee, of the one part, and that band of Indians known as the "Songhees tribe," of the other part, it was agreed that, upon the terms and conditions therein mentioned the said tribe of Indians would remove from the tract of land on which they resided within the confines of the city of Victoria, British Columbia, and commonly known as the "Songhees Reserve," and would transfer to his said majesty, in right of this province, all their claims for rights in and improvements on the lands within the boundaries of the said "Songhees Reserve":

And whereas by the terms of union under which British Columbia was admitted into the Dominion of Canada, Canada agreed to assume and defray the charges for a Marine hospital at said city of Victoria; and which marine hospital has been erected and maintained on land within the boundaries of said Songhees Reserve:

And whereas it is necessary, for the carrying-out of the purposes for which such Indian reserve is being acquired as aforesaid, that the lands and premises now occupied by or held in connection with such marine hospital should be rendered available forthwith to his said majesty, in right of this province.

And whereas there are two public hospitals in or near said city of Victoria, both of which are available to take care of any patients whom it has been customary to send to such marine hospital:

Therefore, be it resolved, That this house deems it to be in the public interests of this province that the said marine hospital should be closed, and that the lands and premises occupied thereby or used or held in connection therewith should be transferred by the dominion government to his majesty the king, in right of this province; and that this house will consider it a satisfactory performance of the terms of union, in so far as the maintenance of said marine hospital is concerned, if the said Dominion of Canada arranges for the erection of a marine hospital elsewhere within the city of Victoria, or, in the alternative, for the work now being carried on at the present marine hospital to be carried on in either or both of such other existing hospitals:

[Mr. Power.]

And that an humble address be presented to His Honour the Lieutenant-Governor, praying him that a copy of this resolution be forwarded to His Excellency the Governor General in Council.

The foregoing resolution was approved by order in council P.C. 590, of the government of British Columbia, on the 8th March, 1911, and was confirmed by federal order in council P.C. 2579, dated 14th November, 1911. The last named order in council reported that arrangements had been made with the St. Joseph's hospital, Victoria, for the treatment care of all sick seamen arrived at Victoria, entitled to relief under the provisions of the Canada Shipping Act. The actual transfer of patients was effected on the 24th April, 1911.

3. Yes.

4. Yes, also with St. Joseph's hospital, Victoria.

5. No. Payment is made at a per diem rate.

6. No.

COST OF SEARCH FOR FLIGHT-LIEUTENANT COLEMAN

Mr. MUTCH:

1. How much did the search for Flight-Lieutenant Coleman cost the Dominion of Canada?

2. How much gasoline was used?

3. How much would it cost to equip all the commercial aircraft, on schedule runs, with two-way radio?

Mr. RINFRET:

1. $52,384.74.

2. Approximately 14,000 gallons.

3. The cost of equipping an aircraft with two-way wireless communication varies from $500 to $3,000, depending on the type of installation required. The number of aeroplanes on "schedule" services depends on the definition of "schedule." The only services which run on exact schedule are inter-city services. All planes on such services are now equipped with two-way communication.

VIMY PILGRIMAGE—CANADIAN LEGION

Sir EUGENE FISET:

1. Did the government make any grant of money to the Canadian Legion for the purpose of organizing and carrying out the pilgrimage to Vimy and the battlefields in July, 1936?

2. Did the Canadian Legion make application for any such grant?

Mr. MACKENZIE (Vancouver):

1. No.

2. No.

TYVAN, SASK., CENSUS

Mr. DOUGLAS:

1. What amount of money was paid to one Roath for the taking of the census in the village of Tyvan, and other services rendered?
2. What amount was paid to the young lady who assisted him in the work of census enumeration?
3. What was the name of this young lady?

Mr. ROGERS:

1, 2 and 3. Mr. Roath did not enumerate the village of Tyvan.

FARMERS' CREDITORS ARRANGEMENT ACT—SASKATCHEWAN

Mr. DOUGLAS:

1. What is the personnel of the board of review operating under the Farmers' Creditors Arrangement Act, in the province of Saskatchewan?
2. What amounts have been paid to each, (a) in salaries; (b) living and travelling expenses?
3. What was the date of appointment of the present personnel of this board?
4. How many cases have been reviewed by the present board?
5. How many cases were reviewed by the previous board under the chairmanship of Justice MacLean?
6. What is the number of cases settled, (a) under present board; (b) under the previous board?
7. What is the prevalent rate of interest on debts adjusted, (a) under the present board; (b) under the previous board?
8. What was the percentage of reduction in debts, (a) under the present board; (b) under the previous board?
9. What is the total amount of, (a) cases reviewed; (b) settled by the board of review since its inception under the act?

Mr. DUNNING:

1. Chief Justice J. T. Brown; R. W. Hugg, K.C.; Charles Wilson.

	(a) Fees	(b)
2. Chief Justice Brown.	None	$2,608 05
R. W. Hugg, K.C.. ..	$2,875 00	941 21
Charles Wilson.. ..	2,912 50	1,529 41

3. Chief Justice Brown, July 9, 1936; R. W. Hugg, K.C., August 17, 1936; Charles Wilson, August 17, 1936.
4. 422
5. 1,401.
6. (a) 351; (b) 1,401.
7. None. Rate based on merits of each individual case.
8. (a) 43·9 per cent; (b) 27·8 per cent.
9. Of 2,408 cases referred to the board of review to January 31, 1937, (a) 1,823; (b) 1,752.

SHEDIAC, N.B., MAIL SERVICE

Mr. BROOKS:

1. Has Alyre Hebert the contract for carrying mail from the Canadian National Railways station, Shediac, to Shediac post office?
2. If so, when does his contract expire?
3. Has the department called for tenders for this service?
4. If so, who was the lowest tenderer?
5. If no tenders were called, who got the contract, and under what terms?
6. Was a recommendation made for a change?
7. If so, by whom?

Mr. ELLIOTT (Middlesex):

1. Yes.
2. March 31, 1937.
3. No.
4. See answer to No. 3.
5. New contract completed with Alexander Landry at $160 per annum under authority contained in section 73 of the Post Office Act.
6 Yes.
7. H. R. Emmerson, M.P.

CANADIAN MILITIA—HONORARY COLONELS

Mr. POULIOT:

Referring to the second statement of the honourable Minister of National Defence in the first column of page 508 of Hansard of February 3, who are the two colonels, and what are the regiments mentioned therein?

Mr. MACKENZIE (Vancouver):

Colonel A. T. Howard, V.D., The Black Watch (Royal Highland Regiment) of Canada. Colonel D. R. Sargent, The Canadian Scottish Regiment.

HAMILTON GAULT FUND

Mr. POULIOT:

1. Is E. H. Scammell, secretary of the Pension and National Health department, also administrator of the Hamilton Gault fund?
2. If so, (a) what is that fund; (b) what does it amount to; (c) to whom does it belong, and (d) what is the purpose of it?
3. Is Scammell the only administrator of that fund?
4. If so, when and by whom was he appointed, and, if not, who are the other administrators?
5. In the calendar years 1935 and 1936, were there: (a) any returned soldiers, and (b) any civilians who received money in any shape, way, or form, from that fund?
6. If so, how many: (a) returned soldiers; (b) civilians; who were the civilians, and for what purpose did each one receive any money?
7. Did a Lieutenant-Colonel Walker, of Ottawa, receive any money at different intervals from that fund, and if so, when and how much each time?
8. Does he receive a pension? If so, how much?
9. How many returned soldiers' requests for borrowing money from that fund were turned down in calendar years, (a) 1934; (b) 1935, and (c) 1936?
10. Does the administrator or do the administrators receive anything for administrating that fund, and, if so, how much?

Mr. POWER: Stand.

Mr. POULIOT: May I draw attention to the fact that paragraph 1 of this question in the French version should be in conformity with the English text.

CANADIAN RADIO BROADCASTING COMMISSION

Mr. BENNETT:

1. Have the services of Mr. Hector Charlesworth, Colonel C. A. Chauveau, K.C., and Lieutenant-Colonel W. Arthur Steel, M.C., members of the Canadian Radio Broadcasting Commission, been dispensed with?
2. If so, when, how, and on what terms and conditions?

Mr. POULIOT: I rise to a point of order. This question is exactly the same as question No. 21 standing in my name, and I object very much to the leader of the opposition (Mr. Bennett) becoming my new disciple in this matter. Question No. 21 appeared in the votes and proceedings of Thursday last, so I do not see why the question of my hon. disciple from Calgary West should have been put on the votes and proceedings on Friday.

Question stands.

MAIL DELIVERY ON HOLIDAYS

Mr. MAYBANK:

1. Were any representations made to the government by any person or persons or organizations urging the delivery of mail on statutory holidays and Saturday afternoons?
2. If so, were such representations made verbally or in writing?
3. How many such representations were made?
4. When were they made?
5. Who made them?

Mr. RINFRET:

1. Yes.

2. Representations were made verbally, in writing and through the press.

3, 4 and 5. See sessional paper No. 145 of 1937 session which was tabled on the 5th February, 1937. No record kept of verbal representations.

QUESTIONS PASSED AS ORDERS FOR RETURNS

WINNIPEG POST OFFICE—ELIGIBLE LIST

Mr. MAYBANK:

1. Did the Civil Service Commission recently establish an eligible list of postal helpers for the Winnipeg post office, and, if so, when?
2. How many names were upon said list?
3. Have any persons from said list been given employment as a result of recent changes by the government in the frequency of mail delivery in the area of greater Winnipeg?
4. How many from said eligible list have been thus employed, and what is the total number of hours of employment thus given?

Mr. RINFRET: Return tabled herewith.

[Mr. Power.]

GRAIN HANDLED BY GOVERNMENT ELEVATORS

Mr. MARTIN:

1. What quantities of grain passed through the government elevators at Saskatoon, Moose Jaw, Lethbridge and Edmonton during the past five years?
2. What has been the record of business through these elevators in comparison with the business through privately owned terminals at Port Arthur, Fort William and Vancouver?

NATIONAL DEFENCE—NON-COMMISSIONED OFFICERS

Mr. POULIOT:

1. In each of the following branches of the Department of National Defence, (1) administration, (2) treasury office, (3) central registry, (4) contracts branch, (5) printing and stationery, (6) naval service, (7) chief of the general staff, (8) signals, (9) historical section, (10) adjutant general, (11) medicals, (12) records, (13) quartermaster general, (14) master general of the ordnance, (15) Royal Canadian Air Force, (16) No. 1 Aircraft depot, (17) Royal Canadian Air Force Station, Ottawa, (18) Connaught Rifle Range, (19) drill halls—how many non-commissioned officers are (1) older, and (2) younger than thirty-seven (37) years?
2. In each of the above-mentioned branches, how many non-commissioned officers who are thirty-seven (37) years old and older have been in the line of an actual theatre of war?
3. Referring to the previous paragraph, how many in each branch have been stationed, (a) farther than twenty miles behind the fighting line, (b) in England?
4. Referring to paragraph 2, how many in each branch did not leave Canada on active service overseas?
5. How many of such non-commissioned officers in each branch were born in Canada and how many were not?

MAIL DELIVERY ON HOLIDAYS

Mr. MAYBANK:

1. Was regular delivery of mail made in the cities of Canada on Christmas day, 1936, and on New Year's day, 1937?
2. Was such delivery made in all Canadian cities?
3. If such delivery was not made in all Canadian cities, in which city or cities was such delivery not made?

MOTION FOR PAPERS

CANADIAN RADIO BROADCASTING COMMISSION

Sir GEORGE PERLEY (for Mr. Bennett):

For a copy of all orders in council, correspondence, documents and papers dealing with the retirement from the public service of (a) Mr. Hector Charlesworth; (b) Colonel C. A. Chauveau, K.C.; and (c) Lieutenant-Colonel W. Arthur Steel, M.C.

LABOUR DISPUTES

CANADIAN PACIFIC AND CANADIAN NATIONAL EMPLOYEES—REPORT OF BOARD OF CONCILIATION

On the orders of the day:

Mr. O. B. ELLIOTT (Kindersley): Before the orders of the day are called I should like to ask the Minister of Labour (Mr. Rogers) if he is prepared to make a statement with regard to the dispute between the Canadian Pacific Railway and the Canadian National Railways and their employees.

Hon. NORMAN McL. ROGERS (Minister of Labour): The hon. member for Kindersley (Mr. Elliott) was kind enough to give me notice of his intention to ask this question. The procedure followed under the Industrial Disputes Investigation Act in dealing with reports made by boards of conciliation has been to send to both parties to the dispute copies of the report and ask them to state whether or not they are willing to accept the recommendation of the board. This was done in the present instance. A reply was received from the representatives of the employees advising the department that the report was not acceptable, and further stating that a strike ballot was being prepared for submission to the employees. This reply from the employees was immediately communicated to the presidents of the Canadian Pacific and Canadian National Railways. On February 4 Sir Edward Beatty and Mr. Hungerford acknowledged receipt of the report of the board of conciliation and indicated their attitude toward it in the following paragraph:

> The railways are prepared to accept the recommendation of the board as a basis for an agreement between the railways and the employees for the adjustment of the dispute.
>
> The railways in the conciliation conferences having offered, as stated in the board's report, to reduce the rate of deduction from compensation from 10 per cent to 9 per cent as from February 1, 1937, they will immediately take the necessary steps to put into effect that part of the board's recommendation.

I may say that I have had informal discussions with representatives of both parties to the dispute, since the conciliation board made its report. I cannot usefully add anything further to this statement at the present time, except to say that we are keeping in constant touch with the situation.

BURNS PACKING PLANT AT VANCOUVER—DISMISSAL OF EMPLOYEES AND ENSUING STRIKE

On the orders of the day:

Mr. ANGUS MacINNIS (Vancouver East): Before the orders of the day are proceeded with I should like to ask a question of the Minister of Labour (Mr. Rogers). It has been drawn to my attention by wire from Vancouver over the week end that there has been trouble between the management of the Burns packing plant in Vancouver and the employees; whether it is a strike or a lockout I do not know at the moment, but it has been going on for the last seven weeks. I should like to know whether a dispute of this kind comes under the activities of the Federal Department of Labour, and if so, what action if any has been taken.

Hon. NORMAN McL. ROGERS (Minister of Labour): The hon member was good enough to inform me that he would ask this question to-day. Our information indicates that on December 29, 1936, nineteen employees of the Burns plant were dismissed. These were mostly employees who had been in the service of the company for many years, and seven of them composed the entire executive of the union formed in April, 1936. A strike followed immediately.

The western representative of the Department of Labour, Mr. Harrison, at once interviewed the company's manager with a view to settlement by conciliation. On a number of occasions subsequently both Mr. Harrison and Mr. Bell, Deputy Minister of Labour for British Columbia, conferred with the company manager and union officials in an effort to bring about a conference between the parties. They were not successful. The company manager refused to meet the dismissed strikers and employees jointly, and the employees refused to meet the management unless the dismissed employees were also present. Mr. Harrison, the representative of the dominion Department of Labour, went to Calgary in an endeavour to secure the consent of the president of the company to allow the dispute to be dealt with by a board of conciliation under the Industrial Disputes Investigation Act, but has been unsuccessful up to this time. The employees have agreed to a board being established. For this type of industry a board can be set up only by joint consent of the parties involved in the dispute.

I might say that I have been in touch with the Minister of Labour for British Columbia, and it seems probable that an inquiry will be instituted under provincial legislation.

CANADA—UNITED KINGDOM TRADE AGREEMENT

On the orders of the day:

Mr. J. S. WOODSWORTH (Winnipeg North Centre): According to the Canadian Press, Sir Francis Floud, High Commissioner for the United Kingdom, speaking in Montreal

on Saturday, made reference to the proposed new trade agreement between Canada and the United Kingdom, saying:

> We have reached a conclusion, and I hope the new agreement will be presented to the Canadian parliament very shortly.

I should like to know whether the government can give us any indication as to when parliament will be informed as to the terms of this agreement.

Hon. CHARLES A. DUNNING (Minister of Finance): Mr. Speaker, I think it was on Friday that the right hon. leader of the opposition (Mr. Bennett) asked me a question along these lines, the answer to which doubtless escaped the hon. member who has just spoken. I indicated then that while conclusions have been reached, a great deal of what might be called tidying up requires to be done in putting into words all the details of such an important document. That work is proceeding, and I hope to be able to indicate to the house within a week as to when we can deal with it.

SUPPLY—NATIONAL DEFENCE

AMENDMENT TO MOTION OF MINISTER OF FINANCE

Hon. CHARLES A. DUNNING (Minister of Finance) moved that the house go into committee of supply.

Mr. C. G. MacNEIL (Vancouver North): Mr. Speaker, I consider it my duty at this time to invite discussion of a subject which has caused widespread interest throughout the dominion and great concern and misgivings in many quarters. I refer to the proposed increases in the estimates of the Department of National Defence. I consider that these increases present an issue of vital importance to the people of Canada at this time, and I think it would be advantageous if in this house we could discuss the matter along broad lines of policy rather than wait until the estimates are brought down and voted upon item by item. I therefore move, seconded by the hon. member for Rosetown-Biggar (Mr. Coldwell):

> That all the words after the word "that" in the motion be struck out and the following substituted therefor:
> "This house views with grave concern the startling increases of expenditure proposed by the government for purposes of national armament in contrast with the inadequate provision for the social security of all sections of the Canadian people."

I present this amendment, Mr. Speaker, because of my conviction that the increased appropriations proposed this year, which double the increases of last year, constitute a declaration on the part of the government that Canada must now prepare for war. It is not unfair to assume that there will be further increases this session, and that all these increases simply form part of a program of naval and military preparation of increasing proportions within the next few years. The indications are that, step by step, we are to be placed on a war footing. Apparently we are abandoning the policy followed for eighteen years and replacing our peace time military and naval establishment with a war time establishment. I know it is called defence, but we cannot blind ourselves to the fact that it means nothing more or less than that we must get ready for war. We know very well that guns, destroyers and bombing planes are not purchased for playthings or merely for show; they are intended for use in war, war in which Canadians will kill and be killed.

This is no longer a hypothetical issue, as was suggested in the house only recently by the Secretary of State (Mr. Rinfret). It is a very real and menacing issue, and it has been made such an issue by the action of the government with respect to these estimates. We are warned that we are menaced by dangers from abroad; that the powers of evil may prevail over the powers of light; that we may be exposed to invasion, our shores ravaged and laid waste by madmen from Europe, and that therefore we must now arm ourselves so as to be able to meet all comers. Under the plans as outlined no man can distinguish between weapons of defence and weapons of offence. I know it may be alleged that I am confusing the issue of military defence with that of participation in war, but when military and naval preparations are advanced to the stage now contemplated we are faced inevitably with the thought of participation in war. I submit that this conclusion cannot be lightly brushed aside. I am reminded of the words used on one occasion by General Sir Maurice Wilson, who said:

> I entered the British army believing that in order to avoid war we must prepare for war. I now know that when we prepare for war we get war.

Apparently now in Canada we must abandon all hope of organizing for peace and prepare for war, with the very grave likelihood that we will get war, for certainly warlike preparations breed a warlike attitude.

If this be the case we must assess not only the expenditures involved but also the probable consequences of the policy upon which Canada is about to embark. Now, and only now—not at some future, indefinite time—we should arrive at a clear-cut understanding

of all that is involved in this policy. Not only will the Canadian people be asked to bear the additional burden of taxation proposed; they will be brought just that much closer to participation in war. When the hour strikes they may have little voice in the question of our participation in hostilities. Certainly now is the only time we can approach the problem in such a way as to secure a cool, calm appraisal of our national policy. As many of us know from bitter experience, when we reach the stage of war-time hysteria, all reason will have fled.

I submit that by reason of the action of the ministry Canada stands at the cross-roads. Now we must either become a highly militarized nation or we may adopt a rational, sensible approach to the problem of defence, an approach consistent with our resources, with our geographical position and with our alliances with other nations of the world. We have two alternatives. Either we take the road to war, or as a Canadian nation we build for ourselves a road to peace. In the past it has been held by prominent statesmen that an armament policy is determined first of all by commitments under foreign policy, by the existence of potential dangers, and by the capability of the nation as determined by its resources. As matters now stand, as far as our policy has been disclosed by the government, we have most indefinite knowledge as to our commitments under foreign policy, particularly with regard to the issues of war and peace. Our potential dangers are outlined in terms quite as vague, and in my opinion it is going quite beyond the bounds of common sense to impose further sacrifices upon the Canadian people for a purpose which is at best indefinite if not entirely futile.

I do not accuse the government of conscious intention to participate in a war of aggression. Here, as in Great Britain, we have nothing to gain and everything to lose by entering into another war. The real danger is that we may assist in setting the stage; in erecting, as it were, a scenario of fireworks which may be set off at any moment by a madman or a fool. We ourselves may stumble into the outbreak rather than consciously plan for disaster.

For these reasons, Mr. Speaker, we should know now whether we are planning defence for Canada alone or whether we are planning a contribution to empire defence. Recent statements of British statesmen cast very grave doubt upon this matter, despite the assurances which have been given in this chamber by the right hon. Prime Minister (Mr. Mackenzie King). Are we to infer from the statement recently made by Sir Samuel Hoare, first lord of the admiralty, that the question of a contribution to empire defence is linked up with the question of empire trade development or an imperialistic economic plan? Are we about to bargain for economic concessions with a blank cheque which may later be filled in with the lives of young Canadians? Will parliament have anything to say with regard to commitments of this kind which may be made at the approaching imperial conference? Is there any good reason why we should not know right now just where Canada stands in this matter? If the theory that Canada is at war when Great Britain is at war is accepted, where will our front line be? Will it be on Canadian soil, or will it be on some of the many lines of communication vital to the empire, and as may be determined by a supreme war council at Westminster? If the government sincerely desires the exercise of Canadian autonomy, in the event of an outbreak of hostilities why cannot such action now be taken as was taken in South Africa; why cannot such autonomous action be our right as a self-governing nation?

The proposed policy of the government with regard to the defence estimates brings all these questions to the fore. We may rightly demand an answer, in unequivocal terms. Any evasion of the issue now may be held as a betrayal of the democratic traditions to which Canadian people give their allegiance. The story is told that when the late President Wilson read his message to the congress of the United States declaring the nation at war with Germany, many of those present applauded. As he walked slowly back to the White House in the company of his secretary he remarked, "That message meant death to our young men, and they applauded. Strange; very strange!" As he reached the White House it is said he laid his head on his desk and wept—a tragic figure.

I suggest that at this time we must take care not to applaud action which may disguise a message of death for Canadian young men. I know it has been very popular to question the patriotism of anyone who may speak frankly or plainly with regard to these matters. It may be suggested, as was suggested last year by the Minister of National Defence, that in criticizing national defence estimates I am stabbing this nation in the back. I will answer for my patriotism with my actions, and let every man do the same. The true test of one's patriotism, I submit, is found in one's willingness to serve the common good. As I conceive it, patriotism does not demand blind allegiance to outworn traditions. I do not propose to worship at empty shrines.

The Prime Minister referred to dangerous decisions which had been reached during what he described as a period of post-war mentality. He was quite right. A prominent writer has said that the treaty of Versailles was simply a bridge of tinder built over hell. Even more dangerous is a pre-war mentality, and the decisions reached in an atmosphere which usually precedes the outbreak of a war. We have been perilously close to that atmosphere, when we consider some of the remarks made in recent debates. We are reminded much of the atmosphere which prevailed in 1914 and 1915. I have heard echoes of the same old appeals, the same old slogans, and the same old phrases, such as national honour, national prestige, the good old British spirit, the dear old union jack. I have heard these phrases used over and over again for the same purpose, to whip people into a frenzy of war-like preparation. They are meaningless to me unless I know their exact content, and unless I am convinced of the sincerity of purpose behind them. These phrases rolled glibly off the tongues of many of the older men who in 1914 cheered the boys off to the front. Many of those older men remained in security and in comfort and lined their pockets profitably. Furthermore, the record now shows that many of them did not hesitate to accept profits from trading with the enemy, either directly or indirectly, yes, while they boasted eloquently of their patriotism. Unquestionably the war was prolonged and many thousands of lives were needlessly lost because the enemy was able to secure important war material from sources within the British Empire. In the light of our experience we have every right to question the use of such phrases, if they are used carelessly. We demand a rigid scrutiny of all war preparations. I am skeptical, perhaps a little hard-boiled, when the folds of the union jack are draped over our national policies in such a way as to conceal their true purpose.

The only sentiment I admit in this matter is that inspired by the memory of thousands of comrades who made the supreme sacrifice in the last war and the thought that upon the outbreak of another war thousands of our young men will again be asked to lay down their lives, unless we pursue a sane policy in the midst of an insane world.

Possibly very few of us may be called to active service in another war. I do not intend at this time of life to take my seat among older men and forget the interests of the young men of to-day. I shall not forget the terms of the birthright which we should make secure for our younger men, a birthright which can be made secure on this continent only under conditions of peace and equity. After what I have witnessed of the suffering which followed in the wake of the last war, God forbid that I may have any part in preparing our young men for slaughter without first making a desperate stand for peace. I cannot close my eyes to the disclosures which point to the fact that the last war was simply the result of fifty years of miserable intrigue on the part of European statesmen, madly gambling for profit and power, and it led to nothing but a wilderness of cemeteries—yes, the forests of crosses over the graves of young Canadians,—nothing but shattered hopes and happiness in thousands of Canadian homes. I cannot close my eyes to the fact that war will come in the world to-day as a result of a struggle between powers which seek to seize or to retain spoils.

In such circumstances and in such a cause we are asked to prepare again for war. We are asked again to put our faith in guns. We are advised to seek a way to peace through the use of armed force. If we rely on guns, if we rely only on armed force, we will take the way we took in 1914-1918 and achieve results even more ghastly than those realized by the Canadian people during that period.

I may be accused of exaggerating, and of being unduly alarmed; but how can anyone regard the situation with anything but alarm when he considers the policy revealed in the increased estimates for military and naval preparation, last year as well as during the present session? I am concerned not only with the increases actually proposed, but with the direction in which steadily increasing military and naval preparation may lead us.

According to my calculation, the estimates of the Department of National Defence, for all purposes, this year total $37,081,871.42. This includes items under the Department of Public Works for military and naval purposes, and an item of $2,000,000 for the purchase of destroyers, which, I understand, is yet to be tabled. If we deduct from the total the votes which are not strictly for military purposes we find that $36,595,135 may be held as the amount of our armaments bill for the coming fiscal year. Over the estimates of last year this represents an increase of $13,530,815. Last year, on a similar basis of comparison, the votes for military purposes amounted to $23,064,320. This represents an increase over the previous year of $7,181,400 for military and naval expenditures. In two sessions the increase amounts to $20,712,215, or approximately 130 per cent.

The estimates for naval services this year are increased from $3,072,000 to $6,635,210, if we include the figure for the new destroyers. This indicates an increase of 116 per cent for naval services. The estimate for the air force has been increased from $5,465,028 to $11,391,650, an increase of 108 per cent. The total estimates have been increased this year over last year by 58 per cent. We cannot overlook the fact that the estimates for these purposes were increased last year by supplementary estimates to the amount of $4,659,139. If the same ratio of increase is to be followed this year the country may yet be required to foot an armament bill of somewhere in the neighbourhood of $45,000,000, and I have reason to believe that if our military and naval experts had their way the bill might be closer to $75,000,000. In any event, I think it is not unreasonable to assume that at the close of the second session of this parliament we shall have increased our armament budget from 150 to 160 per cent, and in the light of these increases I submit that I have a perfect right to ask, do we know where we are going?

I am utterly amazed, Mr. Speaker, at the readiness with which funds are provided for this purpose while at the same time they are withheld or grudgingly doled out for desirable and necessary social services, on the plea that we must maintain national solvency and, in the words of the Minister of Finance, "end an era of recurring deficits."

Last session this house unanimously approved of a resolution proposing to extend the benefits of old age pensions to the blind over the age of forty years. It was reliably estimated by the sponsor of the resolution that it might cost the federal treasury the sum of half a million dollars a year. The Minister of Finance rose in his place and said that it would be impossible to find the money last session, and he reminded us of what he described as a repetition of the process of taking from all of us to pay to some of us. He could not provide a half million dollars for the blind but we can now provide over $13,000,000 for extra armaments this year. The Minister of Finance made similar replies when we pressed for the consideration of certain social requirements. But apparently now he has abandoned his opposition to the procedure of taking from all of us to pay to some of us, and is preparing to take from all of us to profit a few of us, with no real increased security for any of us.

I remember reading with interest a speech made during the session of 1935 by the present Minister of National Defence, when on a motion of no confidence he made a scathing attack on the government of the day on the ground that at that time over one million people were on relief in Canada, and that the government had not provided an adequate employment policy to deal with their serious needs. May I remind him that there are still over one million people on relief in Canada, people so destitute of this world's goods that they must rely for aid from the public treasury. The unemployment situation has not improved substantially, and nowhere in Canada is this distress more acute or more apparent than in the constituency represented in this house by the Minister of National Defence. Only in recent months, as he knows full well, there was dramatized the result of what is happening to our young men in Canada, when over 150 young men were sentenced to varying terms of imprisonment for no other reason, for no other crime, than that they were without food and shelter and an opportunity of securing employment, and dared to state their needs in a public place. I am puzzled to know just how the minister can reconcile his statement in the 1935 session with his recommendation to the house this year that we should divert to our armament budget millions of dollars so urgently needed for purposes of social reconstruction. Just how does he propose to appeal to the young men in the days to come to answer the call of king and country, when to-day these same young men are denied their rightful place in our national enterprises?

I need not remind the minister of the appalling state of affairs among ex-service men in Canada at the present time. The Hyndman commission a number of years ago described the men who appeared before them as obviously undernourished to the point where many would be unable to undertake manual labour even were it available. Again speaking of ex-service men in Canada, who are still bearing the brunt of the suffering from the last war, many of them unemployed, many suffering serious physical handicaps by reason of their war service, the Hyndman commission said:

> In conclusion, we wish to emphasize the spirit of steadfastness, fortitude and loyalty which we found to prevail amongst the vast majority of the many veterans with whom we came in contact in the course of our investigation, and this in spite of dire poverty and distress in all too many instances. It is our firm conviction that, in regard to those who left Canada, such assistance should be given as may be required to alleviate the actual distress under which many of them are suffering and to enable them and their families to exist in decency.

These men who survived the last war are living under the conditions so vividly described by Mr. Justice Hyndman and his fellow members on that commission.

I cannot anticipate the findings of the Veterans Assistance Commission, which recently reviewed conditions existing among ex-service men in Canada. From my personal knowledge I cannot believe that conditions have substantially improved as affecting the men whose average age is 47, and who served in the last war. I fully anticipate that urgent demands will be made upon parliament to make more generous and adequate provisions for their needs. How then can we say that we have millions more, $13,000,000 extra for armaments this year, and not enough to make substantial and necessary provision for those who are suffering as a result of the last war?

We cannot disregard the fact that expenditures on armaments are made at the sacrifice of activities of vastly greater importance. Since the armistice we have spent on armaments the sum of approximately $284,000,000. During this same period we have spent for all purposes of the League of Nations only $4,235,987. We have already spent 67 times as much for armaments as we have spent to assist in the organization of international peace, and if we include the estimates of this session, our armament budget will be 150 times as much as all expenditures for relief purposes. In the present year we propose to spend 8½ times as much for armaments as we have spent in the whole eighteen years since the war for purposes of international peace. Our military appropriations this year will exceed the appropriations for old age pensions by a very considerable sum.

In the midst of this discussion we find our prominent news organs joining in the general chorus and complaining of the crushing burden of relief. They have said on numerous occasions: We must now purge our relief lists of the racketeers; we must now take steps looking to a drastic reduction of our expenditures on direct relief. According to the latest figures available, direct relief cost the federal treasury approximately $27,000,000 in 1935-36, and direct relief to the farmers about $4,000,000. The same journals that have been crying that we call a halt on relief expenditures have been pointing to the national debt, direct and indirect, which is now computed to be something over $4,000,000,000, and to the fact that our budget deficit last year was over $160,000,000. The last war increased our national debt by $1,900,000,000, for which we are still paying at the rate of $158,000,000 per annum. Yet the same publications welcome this increase in our armament expenditures, and many of them have described these increases as "a good beginning," "a satisfactory start." I would like to ask: a good beginning to what?

The Department of National Defence now advances to the position of the fourth highest spending department in the government. In the leading position we have the Department of Finance, paying mainly the interest on our debt, much of which is the result of the last war; second, war pensions; third, the Post Office Department, which is of course a revenue producing department; fourth on the list, National Defence. At the rate we are proceeding, the latter department may soon absorb at least one third of our total national revenue, and we shall be lashing the backs of Canadian taxpayers to carry a burden almost as intolerable as that endured by the citizens of fear-ridden Europe.

In making these comparisons I am prompted to refer to the remark attributed to the Minister of National Defence, who is reported in the Ottawa Journal of February 10, 1935, as saying:

> In my view there are two guiding principles to be borne in mind in establishing a system of defence. First, we must have a defence force sufficient to control subversive elements from within, and sufficient also, secondly, to repel attacks from without.

At that time, apparently, defence was a secondary consideration. His remarks have been supplemented by numerous public statements by prominent officers in his department. They have said that—

> Discontent is so rampant in Canada that military assistance will soon be needed.

Those are the very words used by Brigadier General Alexander, one of the district officers commanding. It is claimed by these officers that we must have a strong military force at hand at all points in Canada, as military assistance will be needed to quell discontent. For this purpose we also have the Royal Canadian Mounted Police, for which body we are asked this year to pay over six millions of dollars. If the primary purpose of the military establishment is that of an auxiliary police reserve, as suggested by the minister, we find that we are spending this year something like $42,000,000 for the purpose of policing ourselves. If we are committed to a policy of diverting increasing sums from social security measures to armaments, we are committed to the policy of suppressing discontent instead of removing the causes of discontent. We are simply paving the way for a crisis similar to that which has overtaken many of the countries of Europe and which may destroy our boasted freedom under democracy.

If I understand anything of the temper of the Canadian people, if I have been taught anything by the experiences through which I have passed in recent months, it is that no government need resort to such elaborate measures to deal with subversive elements if it makes an honest attempt to administer simple justice—just simple, plain justice. Nothing could be more subversive of peace, order or good government than to seek to suppress legitimate discontent with the iron heel instead of by measures designed to correct abuses and to right social injustices. Our people in the main recognize a strongly rooted democratic tradition, but nothing could be more calculated to arouse a rebellious mood than the suggested dominance of a military class or the maintenance of the authority of government by force instead of by reasonable persuasion.

In giving consideration to our proposed commitments for the future, we cannot overlook the fact, as I have previously mentioned, that we have already spent since the armistice over $284,000,000 on military preparations. Yet we are brought to the point where it is admitted that we are wholly without defence. We must ignore all this vast expenditure and activity and adopt an entirely new program of defence. This compels us in this house to question the competency of the organization to which in the past these sums have been entrusted. Year after year parliament has voted millions to be expended under the advice of so-called military and naval experts, and without very much examination of the manner in which the money was expended. We have developed a curious reverence for military authority. We have placed our military experts on a sort of pedestal without attempting to question their judgment. It has been accepted that the officers and gentlemen who form the little oligarchy actually in control of the military policy of the National Defence department know all there is to be known with regard to national defence, but we now find, on their own admission, that all their knowledge and all their activity in past years amount to exactly nothing.

This fact alone demands that parliament should insist upon an open and frank discussion in this house of the policies of the department, to discover whether those to whom we entrust our defence are capable of devising effective defence within our resources. I am particularly interested in this matter, for I clearly perceive that upon an outbreak of war we shall be virtually under a military dictatorship, and I want to know if I have to submit to it, that there is reasonable hope that such a dictatorship can efficiently achieve the purpose it is supposed to achieve. I have certainly no desire to live in a country where a man has to step off the sidewalk to make room for a sword-clanking officer, or where in a restaurant one must spring to attention when an officer enters. If the work and expenditure of the past amount to nothing more than a hollow pretence, what are we to expect in the future from expenditures entrusted to the same organization? I suggest that under the circumstances what we need on our general staff is not so much access to additional millions for them to play around with, but just more brains. They have humbugged us about long enough, and the reason for the farce in years past that has been called national defence is not, as they allege, lack of money, but the fact that these millions have been expended for activities that bear no real relation to the problem of defence. They have been fully aware of the imminence of war as it has been developing in the world of late years, yet they have continued to follow the same old customs and traditions of a bygone day, without showing any ability to adapt those traditions to the new technical requirements of to-day. I suggest that they have known, as we now realize, that we can never provide Canada with adequate defence against all comers, and that for that reason they have been merely, I would say, promoting pageants.

I know it will be said that they are a fine body of men, the finest in the land. I know there are many men of ability, integrity and character attached to the department. Nevertheless I submit it is clear that the whole atmosphere of their work and their approach to this problem has been without a commonsense appreciation of realities as we find them in Canada. They have not shown any real grasp of the situation. Too much effort has been expended on training that has nothing whatever to do with defence, but is designed merely for show or perhaps preparation for an overseas contingent in the event of war. They have been vaguely thinking of the next war in the terms of the last one. We can see that. Hon. members have stood in front of these buildings from time to time and witnessed very interesting and colourful military displays. These displays represent real effort and zeal on the part of the officers and men participating—of that there can be no doubt; but what particular value can these displays have with regard to the defence of our shores against invasion by a first-class power? To many it may bring up the memory of bitter moments in the last war, of the stupid and ghastly blunders that

were made at the outbreak of war by the general staff. The effective military strategy that later developed came from Britain's amateur soldiers. Thousands of lives were lost as a result of these ghastly and stupid blunders, because professional soldiers without vision were entrusted with great responsibilities and could not readily adapt their ideas to the changes in the requirements of modern warfare. Apparently it has always been so in the British Empire. We are about in the same position in Canada.

If any of us make an earnest endeavour to face this question of defence, we are asked to place blind trust in the advice of an organization in which, because of our experience in the last eighteen years, we have no reason to have confidence. As evidence of this I suggest it is an open secret that the powerfully entrenched clique or national union of generals, colonels and majors who actually control the military policy of Canada offered definite opposition to the very modest plan of reorganization of the department which was recently attempted by the minister. Here I think I should make a few suggestions to the minister. I would suggest that he issue an order forbidding the use of dress uniforms in Canada and the use of uniforms at any time except when a man is actually on duty. We might thus discourage the time and money-wasting activities of individuals whose only apparent function is to strut like peacocks in their gorgeous plumage on ceremonial occasions. If the danger is as great as suggested by the Minister of Justice (Mr. Lapointe) in his recent remarks in this house, and if our main consideration is to resist invaders who may land on our coast, why not more thoroughly overhaul this department? Why not wipe out the unnecessary administrative headquarters of thirteen military districts and establish coastal and defence headquarters on the Atlantic and Pacific with central administrative control at some central point. Eliminate parades and ceremonies that have no other purpose than that of training? If we pay for technical services at rates even higher than those sometimes demanded in industry, why can not the minister demand the same standard of efficiency and the same attention to duty as we find demanded in all branches of competitive industry at this time? Let us have more attention to duty and less attention to the social round; that would make for much greater efficiency. Why should general orders—as we find them in sessional papers—be cluttered up with instructions to officers as to how many buttons there should be here and there, what the width of a dress tie should be, and all that sort of thing, in order that men may appear in their authorized regalia on ceremonial occasions?

I submit that one of the first and most necessary contributions to national defence, and one that should be made before we pay over additional millions, is so to purge the present establishment as to place it on a businesslike and sensible basis. Eliminate patronage, social nonsense and obsolete military routine, and there might be some opportunity for men in that department to do something, men who have some technical knowledge and grasp of the requirements of national defence. If the country wants defence, there might then be some hope of its getting value for its money.

I have followed attentively the debates of this house and particularly the remarks of the ministers of the crown on this subject in a personal effort to make a conscientious approach to this matter, which I consider of vital consequence to our people at this time. I have been trying to reason my way through to a rational approach free from the prejudice, fear and hysteria that usually characterize the consideration of matters of this sort. I find that many people have been made aware, by the remarks of ministers, of some vague external danger, and they have a hazy idea that something should be done about it; but very few have reasoned their way through to a conception of what would constitute an adequate or first-class defence program in Canada. I cannot, for instance, accept the suggestions made in this house recently by the hon. member for Bow River (Mr. Johnston) when he said on the fourth instant that we should have the world's best fleet in our waters, the world's best army in our land, and the world's best air fleet in our own country. I hope I am not doing him an injustice when I quote his remarks apart from the context. I mention this because it illustrates a sentiment that is expressed by some people at this time without any very clear conception of where such reasoning leads them, and the rather preposterous and absurd conclusions that follow from suggestions of that kind. If we are to have the world's finest navy in our waters we shall require one that surpasses the British navy, which has now a naval tonnage of 1,161,000, with something like 200,000 additional tonnage under construction, and a personnel of something like 90,000 seamen. If we were to have the world's finest army we should need an army greater than Germany's or the Soviet union's, 1,300,000 men under arms. And if we were to have the world's greatest air force we should have to

have a fleet greater than that of the Soviet union or that of Germany, in excess of 4,000 aircraft. To establish and maintain such an organization would require almost three times the available man power in Canada and it would be necessary for us to conscript women and children to man our industries. It would require at least four times our present total national revenue, reported by the Minister of Finance last year to be something like $372,000,000. As a matter of fact, if we continued along these lines we should so disorganize industry and bankrupt the country that it would not be worth defending. A little sober reflection will convince us that we cannot prepare to shoot it out with all comers.

Nothing would be more dangerous than to create the impression that Canada can rely solely on armaments for defence. Even to attempt anything of the sort would be like a small boy brandishing a toy pistol in the face of a dangerous and well-armed bandit.

I was impressed by the recent remarks of the Minister of Justice on this subject. He spoke feelingly of the necessity of protecting our women and children. Every red-blooded man in this chamber will applaud that sentiment. But from what shall we protect them? Should we not know? As I listened to his remarks I wished that he had spoken with the same tender solicitude for the protection of women and children to-day who are being exposed to, and, if I may use the expression, destroyed by foes even more deadly than those we may have to meet from abroad—poverty, malnutrition and social insecurity. Many thousands of our homes are being laid waste to-day, and we might well consider the advisability of using our knowledge of science at this stage to benefit our people rather than to plot the destruction of our fellow beings.

But what actually are the potential dangers from which we must defend our homes? The minister suggested that the madmen of Europe might break loose and descend upon our shores. He evidently contemplated a combination of either fascist or communist powers that might find it possible to dispatch an expeditionary force with sufficient striking power to seize and occupy Canadian territory. In order that I might explore thoroughly the possibilities of such a menace I took counsel with some of the arm-chair strategists or fireside generals who are so actively engaged in propaganda for bigger and better military preparations, to see just where I stood and to try to strike a definite balance of thought on this matter. I asked them: Do we require defence against the United States? They agreed with me that it is inconceivable that the United States would suddenly develop warlike intentions toward Canada; and if they did, no protection that we might provide would be of avail. Apart from all sentimental considerations, however, the American people would hardly undertake to blow up an enterprise in which they have such a large investment. And what are the potential dangers from across the Atlantic? Are there any powers that are looking longingly at Canada and that could afford to risk the enmity of the United States by attacking Canada? Could any great power or combination of powers develop a striking force that could actually seize and occupy Canadian territory? These strategists suggest that Germany or Italy might mobilize a fleet which would endanger Canada, or that Russia and France might combine on such a venture, or the social democratic governments of Scandinavia, using Ireland or Greenland or Newfoundland as bases from which to direct operations against our shores. But they were not prepared to say what might happen while such enterprises were under way. Could any of these powers, while engaged in striking a blow at Canada, effectively protect their own frontiers, or deal with other obstacles which would certainly arise in their path? Any such development would presuppose the total collapse of Great Britain, in which case we would be very definitely in alliance with the United States. Or, looking across the Pacific, could we reasonably anticipate that Japan might successfully plot the conquest of Canada? Here again they would definitely have to reckon with the United States. Perhaps the forces of the Soviet union might cross the Behring straits and descend upon us from the north on skis.

Every possibility was canvassed, but after exploring every angle of the situation as presented in the world to-day it could not be shown that there was even a remote possibility that any power could seriously consider an attempt to seize and occupy Canadian territory, unless they were crystal gazing. Crystal gazing just about describes many of the statements made by our militaristic friends.

Let us go one step further. Assume that it is within the range of possibility that some first-class power might descend in force on our shores and seize our territory; what would we require in the way of defence? It is estimated by those who have some knowledge of the subject that successfully to resist any such invasion we should require first of all naval

squadrons on either coast of at least 250,000 tons with a personnel of 15,000 men. We should require mines, mine-sweepers and mine-layers. We should require fortifications along the coasts of Nova Scotia, New Brunswick and right down the St. Lawrence to Montreal as formidable as those on the Franco-German frontier, not to overlook the fortifications that would be necessary on Vancouver Island and the lower mainland of British Columbia—yes, and someone suggests Hudson bay. We would require strong mobile forces behind such fortifications. And as transportation systems are vital in a scheme of defence we should practically have to rebuild our railway systems in those areas. In addition we should require at least half a million men under arms, with all the equipment of modern warfare.

Our resources in wealth and man power do not permit us even to start on such a program of defence, in order to be equal to any emergency which we might have to face if Canada were to attempt defence alone, without the friendly intervention of the United States. If we should attempt to proceed too far in that direction we most certainly would be inviting aggression rather than depending on our alliances to remain at peace. If there should be any general outbreak of hostilities the worst we might anticipate, in my opinion, would be sporadic visits of raiders attempting to molest shipping in our harbours, hit and run squadrons or submarines or possibly aircraft. For defence against these raids we do not require any additional expenditure. if we accomplish reasonable concentration on coastal defences so as to make it hazardous for raiders, and so thus effectually ward them off. It does not follow that by providing more costly armaments and more elaborate defences we shall enjoy any greater security or be able to sleep more soundly at night.

After all, when we examine our military and naval preparations we find that we are not simply planning for defence of Canadian shores. It is hypocritical to pretend that such is the case. As I view it, we are planning to intervene on the side of Great Britain in a European struggle. The plans disclosed point clearly to preparations for the training and equipment of an overseas expeditionary force. From every side we read inspired editorials and articles preparing public sentiment for this contingency. An emergency will be declared, the declaration of war in Great Britain will be given effect in Canada, whatever procedure may be followed. Sentiment will run at fever pitch, and little consideration will be given to the causes leading to the outbreak of war. Our military caste, to which we have given so much power, will attempt to move our boys into the appointed place in the line of empire defence. Why else have we ten or twelve imperial officers at present on exchange in Canada? Because the drift of policy is in this direction, it is necessary to point out the danger of costly blunders into which we may be led by over-zealous professional war maniacs.

It may be a magnificent gesture to rush to the assistance of the motherland, but it may not be sound military strategy. Here we are in grave danger of thinking in terms of the last war. Many military strategists agree that in the next war Great Britain may be fighting on three or four fronts, and it may not be feasible to divert sufficient naval strength to convoy troops across the Atlantic, or supplies for the maintenance of such an expeditionary force. It may easily be that we may squander not only our millions, but the lives of thousands of Canadians in vain by considering defence plans on that basis. If we participate in such a war it may prove the better strategy merely to protect our harbours, using our man power in the production of essential war materials. Apart from these considerations we might play a far greater part by interpreting the peaceful intentions and good will of the British people to our great neighbour to the south. The more warlike our intentions, the more we disqualify ourselves for such an important mission.

It has been well said that Canada has no enemies. If we are attacked it will be because of our relationship with Great Britain or of our proximity to the United States. If either of these powers gets us into trouble we have no choice but to rely on it for defence against invasion from a first class enemy power. It is not a question of sponging on the motherland or hiding behind the skirts of the United States, as is so often said in derision. It is vain for us to rely on armaments that we ourselves can provide. There is no point in ruining ourselves merely to satisfy false national pride. In the final analysis the question will be settled, not on a basis of sentiment, but as a matter of good business. Canada will find its defence, in the event of a major outbreak of war, in those alliances made possible because Canada is an important source of essential raw materials, and a source of these materials which will be far removed from the scene of conflict.

It is incredible that we should place our sole reliance for defence on armaments. It has been demonstrated that in modern warfare one of the most important factors is the organization of war industries. Armaments and armies are of little use unless industry is

organized to maintain them in action. This organization cannot be accomplished over night. There must be an immediate and continuous supply of goods and munitions. Such a plan cannot be left to chance, as was shown during the last war. If therefore we are asked to make additional sacrifices in order to support the burden of armaments, and if the danger is as great as has been suggested, why has no mention been made of the part that Canadian industry must play in such a program? The planlessness of modern competitive methods will not effectively serve the national interest in a time of grave danger. The authority of the government must be exercised or extended in some degree to assure the efficient maintenance of a national plan which will bring into play the maximum industrial effort. I do not suggest that it should be put into operation now, but our industrial leaders should be warned, and our people should know it, that they must serve the national interest in time of danger, according to plan, as may be determined by the exigencies of the situation.

There is general agreement, I find, that war profiteering activities should be restricted not only during war but in advance of war. There are few who served in the last war who do not remember with some bitterness the inequalities of sacrifice and duty imposed on the Canadian people at that time. The results of those inequalities are still painfully apparent. We may not be able to equalize the sacrifices of war, but at least we can plan to demand the same level of patriotism on the economic plane as may be demanded in the field. We do not agree, as was suggested by the Prime Minister, that we should await the outbreak of war to face this issue, or that men should lay down their lives with the incentive only of patriotism while others should engage in war production in comparative security with the incentive of profit. Such measures to be effective in order to restrain war profiteering should be introduced now. The issue has been faced already in the United States, and plans have been prepared. There is no valid reason why, if we are truly interested in an effective defence program, we should not now introduce similar measures in Canada.

Such measures would serve a twofold purpose. They would provide for more adequate defence and at the same time would act as a deterrent to unwise and reckless war sentiment. I do not suggest for a moment that our business men are consciously conspiring to provoke war, but I do know that there are branches of the armament industry in Canada. As has been suggested already by the Prime Minister, these people manufacture armaments for profit and only for profit, and their greatest profit is found in a time such as this, when fears are aroused and armament competition is keen. I cannot close my eyes to the fact that the anticipation of war profits, as we find it existing at present in Canada, has the effect of arousing a dangerous pre-war psychology. I ask hon. members to consider the situation as it exists in Canada to-day, to examine the stock market quotations, particularly with regard to the stocks of firms engaged in the manufacture of armaments. Go down the list one by one and you will find that there has been an increase of one hundred per cent in capital profit in the last six months. The profiteers are now casting in on the profits of the next war.

The danger of the situation is that Canadian industry is finding too great an investment in the making of war. Canadian industry is being offered too great an incentive, a dangerous temptation, to inspire a pre-war pyschology. In Great Britain they are well aware of this danger. They have instituted measures to audit, to restrict and in some measure to control profits made on the manufacture of munitions and war equipment. They have instituted measures to license the export of war materials. We have taken no such steps in Canada. We apparently prefer to close our eyes to the situation which exists and to go on our way. I direct the attention of members to the increase in our shipments to Morocco, as follows:

1935	
September	$ 1,929
October	16,461
November	4,392
December	4,836
1936	
September	$296,752
October	291,135
November	678,101
December	505,809

It will be seen that in the last two months of 1936 our exports increased by over half a million dollars per month. Unquestionably large profits are being made on material exported to Morocco for the assistance of the fascist insurgents in Spain. Already we have a large investment in the making of war.

It is generally recognized by financial experts that if we should face another war emergency the government could not possibly finance along orthodox lines. Financial writers generally agree with that conclusion. In this connection I would refer to the findings brought down by a committee of the senate of the United States, after an exhaustive study of various aspects of this question. I need

not detain the house by reading the report at length, but it points out that immediately upon the outbreak of war the country is overtaken by dangerous inflation, and that unless preparation is made in advance no steps can be taken then to defend a country against what is described as a very subtle foe.

For all these reasons, Mr. Speaker, I submit that the government is not justified in asking for greater expenditures on armaments until a defence program has been brought down which also includes measures to provide for:

1. Heavy and sharply graduated taxes on incomes in the higher brackets, with fewer exemptions and heavier penalties.

2. Provision whereby the government may draft "useful" industrial management into the military service at military rates of pay.

3. A system for control of commodities and commodity exchange.

4. A system for control of securities and securities exchange, and supervision of new issues.

5. Provision for the government to fix and regulate prices, establish priorities and conscript the use of necessary property and equipment.

If the government intends to assume authority to demand the lives of our young men can it in all justice refuse to exercise some authority over the property of individuals? If this were done there would be a great deal less enthusiasm for war preparations on the part of those who now hope to escape sacrifice.

A defence program is not a defence program in the strict sense of the term unless it incorporates such provisions as I have suggested. Since no such provisions are now incorporated in our proposed defence program I can very well understand why business leaders everywhere are giving it their approval. They quite openly state in their public remarks that it will afford a very satisfactory and profitable stimulus to business at this time. We hear these words from the same men who have been actively advocating a reduction in our relief expenditure and the elimination from the relief lists of so called racketeers. When we consider how in the past contracts have been made and orders for supplies have been placed with various firms in Canada we can readily understand why their mouths are now watering at the prospect of a generous cut from this juicy melon. Unless some control is exercised in the public interest I predict that this expenditure will become nothing more or less than a camouflaged pork barrel, and the painful part is that it will be artfully draped with the folds of the familiar red, white and blue of our ensign.

[Mr. MacNeil.]

Another thing that apparently has been overlooked is the fact that we will require men to man our guns, men who are physically fit and technically trained. If we are to expand our armament preparation we must face the issue of compulsory military service in Canada, even as they are facing that issue in Great Britain at the present time. I have no hesitation in saying that compulsory military service in time of peace is repugnant to Canadian traditions. Nevertheless we must take it for granted that compulsory military service must come sooner or later if we are to prepare for war. Whether or not we rely upon voluntary enlistment in the meantime we must face this problem, as they had to face it in Great Britain, that a large percentage of our young men at this time are below the physical standards usually set for military service. It has been admitted that our military organization does not intend to assume any particular responsibility with regard to the physical fitness of our young men or their technical training. Apparently they are regarded simply as another crop of cannon fodder. One point was stressed over and over again by our late corps commander, General Sir Arthur Currie. I believe I may not with propriety quote his words concerning national defence, but I may observe that on this one point he had vision. He said, that given the right leadership, if we had in Canada physically fit young men we might cheerfully face any emergency of defence. He added however that one of the most important factors is that we should have available for military service men who are physically fit.

Men cannot be made fit in any brief space of time. I suggest that if we are in earnest about the problem of national defence we cannot overlook the serious and tragic position of our young men of to-day. It has been officially reported that approximately 150,000 men between the ages of eighteen and twenty-five are without gainful employment, which means that they are without the opportunity to make themselves fit and without opportunities to acquire any form of technical knowledge. We now propose to divert millions of dollars for armament and thereby still further deprive them of opportunities they have a right to expect. Certainly increased armaments spell lowered living standards for the workers of Canada.

I have found that many of these young men are now reaching manhood without the slightest chance of even having the necessary diet with which to build up physical stamina necessary to meet the struggle of life, let

alone the more severe tests of warfare. We cannot justify the purchase of naval vessels and war equipment until we give these young men in the pursuits of peace an opportunity to realize more fully the rights of their manhood. If we are sincere about the defence of our women and children we should realize that our greatest bulwark and protection is a young Canadian manhood, physically fit, technically trained and with a stake in the country they are asked to defend. If they are made ready and given an opportunity to play their part in the development of our country in peaceful endeavour, they will not fail it in any defence emergency.

I submit we are being asked to support measures of defence which offer no defence. We are being asked to jeopardize our social security and to perpetuate social inequalities without the assurance that there will be additional security against danger from war. In the name of national defence we are facing commitments which mean anything but the defence of Canadian soil or Canadian homes. We desire peace, and we are taking the road to war. I submit, Mr. Speaker, that the situation demands a straightforward statement from the government as to its intentions for the future.

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, It is with some hesitation that I rise to follow the hon. member for Vancouver North (Mr. MacNeil) who has just placed before the house a complete analysis both of the estimates for the Department of National Defence and of the situation surrounding the entire defence problem.

At the outset I am going to ask the government to give the house an answer to the question which has been asked again and again this session with respect to foreign policy, and to present to us an outline of the policy which Canada is at present pursuing. For we insist that not a dollar should be expended for national defence, so-called, until we in this country know precisely the policy which makes that defence necessary.

Students of foreign affairs know well that invariably parliaments base their defence programs upon their foreign policies. I believe that is particularly true of Great Britain. Her naval, military and air force estimates are framed by experts on the basis of the policy laid down by the foreign office. In this chamber we have the Secretary of State for External Affairs, in the person of the Prime Minister (Mr. Mackenzie King), and we are asking that before we are called upon to vote the estimates he lay before the house the precise policy which undoubtedly he has placed before the Department of National Defence and upon which these increased estimates are based. We cannot discuss the estimates intelligently without such outline. I believe it is the right and duty of parliament to receive the statement and to consider the advice given.

Up to two years ago estimates in Great Britain were based upon what was known as the ten-year rule—that is, that there would be no major outbreak of war within a period of ten years. But obviously in the past year or two that basis has been abandoned, and it seems to me that the present estimates for Canadian defence are also based upon an abandonment of the idea that there will be no major war in the near future. What, may I ask, has made the change in imperial policy necessary? Was it not the determination of great imperial interests to disregard their league responsibilities and at all costs to defend the economic imperialism they had established over regions in Africa and Asia, and over which they still wished to continue undisputed mandate or control? We find that simultaneously with the resultant breakdown in the ideal of collective security, Canada is faced with an increase in her national defence estimates. Is there a connection between the imperial policy and the increase in our estimates?

We are told by the Prime Minister that if war should come, Canada would decide. But, taking these estimates at their face value, it seems to me that some sort of decision has already been made. We contend that information regarding any such decision should be given to parliament. Apparently, that some understanding exists, is the point of view of Sir Samuel Hoare, whose policies were repudiated a little more than a year ago by the British people, and the statesman upon whose shoulders probably more than upon those of any other rests the responsibility for the overthrow of what we might call the collective system of security. A few days ago, on February 6, Sir Samuel Hoare was reported in the Montreal Gazette as follows:

> Sir Samuel referred to the empire's unity in the major developments of the last twenty years—the outbreak of the war in 1914, the illness of George V in 1928, the silver jubilee in 1935, King George's death and the abdication crisis.
>
> He urged expansion and development of a common outlook iln the empire through economic development and the study of imperial defence problems.
>
> "I believe these two fields are closely connected. For unless we do our utmost to foster the economic development of the empire the units that compose it will not be economically right enough to take their full share of empire responsibilities."

In these words, it seems to me we find the fundamental basis of those vested financial and economic interests which have from time to time crippled the League of Nations because their policies, to use Sir Samuel Hoare's own words, have been based "upon the expansion and development of a common outlook in the empire through economic development and the study of imperial defence." Obviously in his mind economic interests and armaments were closely related, and a league of nations which did not serve those eternal interests, as they have been called, had to be disregarded from time to time. If it is not for such interests that we are asked to vote millions to prepare our sons for the slaughter, let the government answer the question by telling us upon what other policy this demand for increased armaments is based; and until that has been done clearly, I maintain that we should unanimously oppose the increase in these estimates. If, then, the government can justify a war preparedness program, let us immediately prepare for war, as was suggested by my friend from Vancouver North, by organizing our potential war industries for national defence, and let us make them perform their service, not without recompense, but for the equivalent of the $1.10 a day which this country gave its soldiers in the last war.

In spite of the defence of the International Nickel Company, for example, which was made by one of our Liberal friends from the other side of the house the other evening, with its profit of $23,000,000 in the first nine months of last year, I say that under these conditions, with the people fearing war, no corporation should be allowed to make that amount of profit in an industry which is in large measure an industry based on preparation for war. If we are to call upon the Canadian people to make sacrifices, let these great war industries set the example of sacrifice first, and now. That is our suggestion. Otherwise we should not vote an additional dollar for preparedness.

In an interview given a few days ago at Jamaica, the Right Hon. David Lloyd George, speaking of the tremendous so-called defence expenditures, had this to say:

> The world is going mad. At the present moment we are spending $1,500,000,000 for armaments.

That, may I add, was before the announcement the other evening of the additional war loan for $2,000,000,000 that is proposed in Great Britain. Mr. Lloyd George continued:

> Ten years ago the entire world spent $3,500,000,000 for armaments, and now it is spending $12,500,000,000. They have almost quadrupled it in the past ten years, and it is still going up.

[Mr. Coldwell.]

The report continues:

> The veteran British Liberal leader was bitter about the huge sums the mother country was spending on rearmament while "we have found it very difficult to get a few millions for the relief of suffering in the distressed areas.
>
> For a very small proportion of that sum of money we could have had unbelievable empire development; but no, the whole money is to go to the dogs of war."

Now the question we are asking is this: Are we in Canada going to join in this mad race without knowing precisely the policy that underlies the increased estimates upon which we shall shortly have to vote? Our answer in this little group is, of course, no, because we believe that such defence preparations only breed fear, and that hate, which, in turn, is the child of fear.

The Minister of Justice (Mr. Lapointe), speaking in the house this session, devoted a good deal of attention to the relationship between armaments and Canadian neutrality. He argued that increased armaments and neutrality go together, that if we want to remain outside of an impending conflict we must see to it that we shall be able to defend the women and children of our country if madmen should attack us. Does he really believe that our women and children are in any danger of attack from without? Have they not endured great suffering and an attack upon their standards of living from within for the last few years? And have they not needed even greater expenditures for their protection during those years than they have enjoyed? Is not this the attack that we should have been considering, rather than endeavouring to justify preparations for the slaughter of the grown-up children of the very women in whose names attempts are made to justify these defence estimates?

Writing in 1914, shortly after the outbreak of the great war, Lord Grey had this to say of such preparedness:

> The increase of armaments that is intended in each nation to produce consciousness of strength and a sense of security does not produce these effects.
>
> On the contrary, it produces the consciousness of strength of other nations and a sense of fear. The enormous growth of armaments in Europe, the sense of insecurity and fear caused by them—it was these that made war inevitable.

And yet in the face of such opinions we who are separated from the volcanoes of Europe and Asia by mighty oceans, we who live in peace and amity beside a great people to the south, are being called upon to make preparations for war and to join in what I might term potential international suicide, which, unless checked, will become a reality.

The Secretary of State (Mr. Rinfret) the other evening ridiculed the hon. member for Winnipeg North Centre (Mr. Woodsworth) and his plea for neutrality, by asking of what use his neutrality resolution would be in the face of an invader approaching our shores. May I ask the Secretary of State of what use two second-hand destroyers would be in the case of an invader coming to our shores? May I also ask him if he really thinks a neutral Canada could or would be invaded by a European or an Asiatic foe? Any nation embarking on such a mad adventure would have to come across a minimum of 3,000 miles of water. Apart from the Monroe doctrine and the statement of President Roosevelt made at Buenos Aires a short time ago, the feat is a military impossibility, and intelligent naval and military men know it. Mussolini, for example, did not begin his Ethiopian war until he had assembled some four hundred thousand troops in Africa. These he required to subdue ten million primitive Abyssinians. I venture to say that to subdue ten million Canadians equipped with our present defences and industrial development would require the transportation of at least as many men, and there is not a single nation in the world, including Great Britain which has sufficient ships to do this effectively, even if we had no friends and no allies. For public men to frighten timid and ill-informed folk with threats of overseas invasion is, if I might use the term employed by the leader of the opposition (Mr. Bennett) the other evening, to do violence to their own intelligence and the intelligence of this nation. Moreover, an invading force must always reckon on a possible retreat. That is a fundamental of military strategy. The great Prussian general Blücher was asked by his emperor if he could land an army in England. He answered, "Yes, your majesty, but how would we get back?" That is the problem which an invader must always face.

I say, then, that these estimates cannot be construed as defence estimates, but that in reality they provide for the training and equipping of a potential expeditionary force to send abroad. The government may not consciously believe that that is the interpretation we should put upon them, but in view of the fact that we do not need these defence forces for the defence of our own shores, or an increase in that defence, what other interpretation is possible? Or again the government may say, in the words of the Prime Minister (Mr. Mackenzie King), that when the time comes Canada will decide. But we know that when war hysteria comes, the people will be governed by newspaper, radio and other propaganda. We know that to our sorrow. Even under conditions such as we now have, newspapers at any time are liable to tell their writers that they must put the soft pedal on criticisms of national defence. Those of us who have been reading the editorials in some papers friendly to the government now in office know that there has been a change of attitude during the past few months. To-day sedulously they are saying that the people must decide this, that and the other thing, but all the time they are endeavouring to show the people that we must prepare for war. We also know this, that upon the declaration of war the people will not know the truth of the situation. Somebody once said that in war truth is the first casualty, and when we look back on the great war and we realize the preposterous things that we were told in order to drive men at each others' throats—told in English, in German, in French, in Italian—we know beyond doubt that truth was the first casualty of the great war. That war taught us that lying is a necessary military device, and if propaganda is artfully and carefully placed before them, war lies will take into war even a peace-loving and generous people; even the Canadian people.

Some people have said that in part our opposition to the defence estimates is due to our distrust of the policies of the national government of Great Britain. I think that is partly true. Moreover, the judgment recently rendered by the privy council makes me all the more careful in dealing with these estimates. I am looking forward with a good deal of interest to the interpretation to this house by the Minister of Justice (Mr. Lapointe) of the meaning of the references to, for example, Canada's power to make treaties, and references to Canada's legal subservience, to a degree at least, to the will of the imperial parliament. To some extent in the light of those utterances I am anxious that we shall carefully consider the problem before us. Unfortunately no government has done more than has the present national government of Great Britain to undermine faith in the League of Nations.

An hon. MEMBER: Oh.

Mr. COLDWELL: I was one of those who hoped when the great war ended that the British commonwealth of nations would form within the league a nucleus around which collective security for all the world might ultimately be achieved. I confess that to-day I am sadly disillusioned in that regard. Though I believe that the league offered a great ideal to our people and that we must rebuild the League of Nations, I recognize that the

British national government quite lately undermined the league. Let me point out one or two incidents that, I think, make that clear. Speaking at Glasgow on November 22, 1934, Mr. Baldwin said:

> It is curious that there is growing among the Labour party support for what is called a collective peace system. Well now, a collective peace system in my view is perfectly impracticable.

Mr. Baldwin proceeded to state his reasons for his conclusion that the collective peace system under the League of Nations was "hardly worth considering." Yet less than six months later we find Mr. Anthony Eden, one of the members of his cabinet, stating:

> It is clear that our part should be to pursue a foreign policy that is frank, stalwart and above all firm in support of the League of Nations and of the collective peace system.

Less than two weeks after that Mr. Baldwin himself stated:

> The League of Nations is the sheet anchor of British foreign policy.

Why this extraordinary example of blowing cold and blowing hot in relation to the league? This is an example of the attitude that has undermined confidence in the league. In my opinion it was not unrelated to the fact that during the intervening six months a peace ballot had been taken in Great Britain and overwhelmingly the British people had shown their faith in the league and in some measure of collective security within the league.

The dictatorships that threaten the world are made, perhaps, more real by the approach of a war. Most of us in this house realize, I believe, that if through our defence preparedness, through our military commitments, we plunge into war, we too may lose, as other nations undoubtedly will lose, democratic institutions upon entry into war. I desire to see no form of dictatorship.

Mr. MARTIN: The hon. gentleman used the phrase "military commitments." Is he suggesting that this country has any military commitments?

Mr. COLDWELL: I did not catch the question.

Mr. MARTIN: The hon. gentleman used the phrase "military commitments." The question is, is he suggesting that this country has at the moment any military commitments?

Mr. COLDWELL: I am suggesting that these estimates and the large increase in the amount appropriated imply that we have in effect understandings which may be interpreted as commitments. That is my interpretation, because, as I said a few moments ago, I cannot see any reason for these increases unless we contemplate the use of our military machine in a war, and as far as we in Canada are concerned, I can see no possibility of such a war in the immediate future.

Mr. MACKENZIE KING: I must deny categorically and immediately what my hon. friend has said. There are no commitments and no understandings in the nature of commitments between this government and the government of Great Britain or any other government.

Mr. COLDWELL: I am glad to hear that; but may I say that with the increased estimates, with the presence of ten British military gentlemen in our militia department, the inference which I drew from these two facts was, I think, warranted under the circumstances. I am glad to get the Prime Minister's denial, which, of course, I accept.

Mr. DUNNING: But the hon. member keeps on repeating the statement.

Mr. COLDWELL: The Minister of Finance says that I have repeated the statement. I have repeated it, and I have repeated it designedly because up to this time I, at least, have heard no denial of the particular statement.

Mr. DUNNING: In the plainest of terms this session.

Mr. COLDWELL: We are opposed to the estimates because they move in the direction of war, because they deny to our people the social services which they need. You cannot under present conditions spend millions in armaments and provide the people with the social services which they lack. And when we hear the statement made that these appropriations are necessary to cope with the possibilities of subversive elements within our own country, I would observe that there is only one way to deal with subversive elements and that is to make conditions such that subversive elements will not appear and expand. That is the only way. Repression breeds revolt.

Surely our generation, at least, should have learned our lesson from the last war. Let me point out that had we spent for the good of humanity the billions which were spent in that war, the world would not now be faced with the types of dictatorship that prevail in many countries. The Manchester Guardian summarized the physical loss to the world very well when, in February, 1931, it made this very careful appraisal of the war expenditures:

> With the war costs it would have been possible to provide every family in the United States, Canada, Great Britain, Australia, Bel-

gium, Germany, and Russia with a home costing $2,500 standing on a five acre plot, equipped with furniture worth $1,250 and to provide each group of 20,000 families with hospitals and educational institutions and pay the salaries of teachers, doctors, professors and nurses to operate these social services.

I am convinced, therefore, that if we in Canada are to progress we must stand clear of this mad race for armaments which can lead only to war. On the other hand, if this house decides that we are going to prepare for war, then I submit that those who believe we should prepare, should bring down proposals which are in line with that preparedness. I would not support them, but I maintain that the next war will be a chemical war, a war of scientists, and under the conditions which are likely to exist, our government, if it is going to prepare for war at all, should do it as economically and as efficiently as possible. Call in the best scientists you have in the country, chemists and others, and let them prepare the most horrible gases they can think of. Let them assemble the most terrible germs of the type the nations will use, and let them prepare adequately for the real war that they foreshadow in the future. And as for our young men, as my colleague from Vancouver North (Mr. MacNeil) has said, we should care for their physique and health for, after all, in any form of defence we need well-nurtured, well-developed bodies. As far as I am concerned, however, I oppose such war preparations. I oppose war because I do not believe in war, and I conscientiously object to it. But there is another thing that I believe, and it is this: that when people talk about the inevitability of war, at any rate let them not say that participation in war is a Christian duty.

Hon. IAN MACKENZIE (Minister of National Defence): I desire to speak to the amendment moved by the hon. member for Vancouver North (Mr. MacNeil) and seconded by the hon. member for Rosetown-Biggar (Mr. Coldwell). The amendment reads:

> That all the words after the word "that" in the motion be struck out and the following substituted therefor:
>
> "This house views with grave concern the startling increases of expenditure proposed by the government for purposes of national armament in contrast with the inadequate provision for the social security of all sections of the Canadian people."

I do not at present intend to raise a question of order or procedure with reference to this amendment, although that could be done. I intend at the moment to point out the absolute inconsistency of this double-barrelled amendment. If the two hon. gentlemen, the mover and the seconder of the amendment, had been content this afternoon merely to express their disapproval of the increase in the estimates for the Department of National Defence, they could very well have concluded the phraseology of their amendment with the words "national armament," and that would have been a vote of want of confidence in this administration with respect to the estimates submitted to this house and to the committee afterwards for its approval.

What have they done? They have built up an alternative program, and thereby they are inviting every hon. member when he comes to record his vote, which if it were in support of this resolution would be a vote of no confidence in this administration, not only to express his disapproval of the extension of the estimates of the Departmental of National Defence, but to express approbation of the measures of social security which would be adopted under the political philosophy with which my friends are identified. In other words, they are asking this House of Commons not only to express disapproval of the essential measures which have been proposed, not for purposes of war but for the security of this dominion at this time, but to endorse the political philosophy which my friend the hon. member for Winnipeg North Centre (Mr. Woodsworth) has been preaching in this house and outside for many years.

Now, may I recall the occasion in February 1933, when the hon. member for Winnipeg North Centre moved a resolution which concluded with these words:

> That, in the opinion of this house, the government should immediately take measures looking to the setting up of a cooperative commonwealth in which all natural resources and the socially necessary machinery of production will be used in the interests of the people and not for the benefit of the few.

What took place? Speaking in the debate which followed the introduction of that resolution, the right hon. leader of the opposition at that time, now the Prime Minister of this country (Mr. Mackenzie King) outlined to the house and to the country an alternative program of social reconstruction and for social security throughout Canada, and that program consisted of the fourteen points and principles upon which the Liberal party went to the country in 1935, and which were endorsed by the biggest majority that any government has had in this house since confederation. So, I say, if they merely disapprove the estimates for national defence, why not say so boldly and bluntly, without intriguing through their amendment for some approbation of the political philosophy embodied in the Cooperative Commonwealth Federation program?

Mr. WOODSWORTH: Or the Liberal program.

Mr. COLDWELL: Does the hon. gentleman intend to imply that the political philosophy of this group alone represents a program of social security for the Canadian people?

Mr. MACKENZIE (Vancouver): I implied the very opposite. His leader definitely specified in that resolution the remedies he proposed for providing social security for the Canadian people, and that policy was completely repudiated and rejected by the Canadian people in 1935.

I desire now very briefly to deal with some of the submissions made by the hon. member for Vancouver North. In the first place he says this is a declaration that Canada must now prepare for war. With all the knowledge I have of the preparation of these estimates I contend that they could not, by the wildest flight of imagination, be said to be designed to prepare Canada for war. These estimates—every cent of them—are intended only for the security of the Canadian people. The hon. member speaks of social security. I ask him this question: If he and I worked all our lives for the promotion by legislation and otherwise of social security for the Canadian people within this dominion, could that security be safeguarded if our national security were imperilled by a wanton assault from an enemy without? National security at all times must come first. I am sure that every hon. member, according to his particular political and economic philosophy, is glad and proud to do all he can to build up the fabric of social security within the confines of our territory. But national security, national defence, the direct defence of Canada, of our coastal areas, our ports, our shipping terminals, our territorial waters, the focal areas of our trade routes adjacent to our harbour mouths—there are the matters dealt with in these estimates. May I tell my hon. friend there is no new defence policy embodied in these estimates. There is no new policy here at all. These estimates represent only an honest attempt by those who for the time being are charged with responsibility for the national well-being, to see to it that we have something effective and efficient for the purposes of direct defence of Canada or for defending our neutrality should it be assailed by anyone outside.

I intend to deal with this further in detail after the recess, but the hon. member for Vancouver North said we are replacing the peace establishment with a war establishment. That is utter nonsense. We are not only not replacing the peace establishment with a war establishment, but during the short time I have been in charge of the Department of National Defence, we have reduced the military establishment of this country from 135,000 to 90,000; in fact we have done that within twelve months. All we are doing now is to see to it that this small force shall be properly equipped. The hon. member quoted General Currie, saying that we had men in Canada who can defend Canada. Yes, sir, we have, I believe, the finest men in the whole world. But is he going to send his comrades, our Canadian citizens, to the coastal areas of Canada to defend our shores without guns, without equipment, or with equipment that the enemy can outrange by hundreds of thousands of yards? Is he going to send them with obsolete equipment, some of it twenty years old? When he says we have men to defend our shores, I say, yes, we have, and they will defend them; the men of every province are ready and willing to defend Canada's shores. But it is the duty of this government, it would be the duty of any government entrusted with the responsibility of office at the present time, to see to it that our Canadian boys, if they have to defend our shores, are armed and equipped with the most modern and efficient machinery of defence that the resources of this country can provide. That is the entire policy of this administration with reference to this question of defence.

The hon. member said that warlike preparations bring a warlike attitude. I have not seen any warlike preparations. I have heard much discussion about the expansion of our naval program. Let us see what it amounts to. The entire increase of the Canadian navy is one little training ship in Nova Scotia. Yet I have heard people hush-hushing around about the great new naval policy of this administration. My hon. friend talked about cruisers. Unfortunately we have no cruisers in this country. When we took office last year we had two efficient modern destroyers, and two old and obsolete destroyers, which did not even belong to us, which are with us on loan from the British admiralty. The only change is that we have purchased from the British admiralty two practically new efficient destroyers—four years old—of the same type that we built in 1931, and in two or three months' time we shall have four destroyers, just as we have had for several years. That is all, except that the two we have acquired from the British admiralty are more modern and better equipped and more serviceable for the essential services of the defence of our Canadian coast line and harbours than the two which were demilitarized recently.

Then there is provision for four mine sweepers. I think the item in the estimates is about $750,000; the total cost will be around $1,000,000. These will be built in Canadian yards. There is nothing new in that. We had four mine sweepers ever since 1920 until they became obsolete; we have one still which is very nearly obsolete, hardly fit for active service. So, in regard to the $1,000,000 proposed to be expended upon mine sweepers, there is no new policy there. We are trying, sir, to repair the gaps; we are trying to maintain the modest naval force we have had in this country for years.

Mr. LAPOINTE (Quebec East): They cannot be sent to the battlefields of Europe.

Mr. MACKENZIE (Vancouver): They certainly cannot. I think my hon. friend himself proved that; they could not possibly cross those 3,000 miles of which he has spoken.

One of the hon. gentlemen spoke of the impossibility of attack by air. I wonder whether he recalls the great flight of General Balbo's squadron from Italy, over Montreal and on to Chicago, a few years ago. I wonder whether he saw in the press about ten days ago a description of the flight of a squadron of United States battle planes to Honolulu. I wonder whether he read a description which appeared in the press the other day of the manoeuvres at Singapore, with combined operations of the British fleet, the British air force and some other forces. I wonder whether my hon. friend has studied the bill passed by the United States in 1935, which bill particularly provided for the defence of that great republic against air attacks by nations three thousand miles and more distant. So, when my hon. friend pits his marvellous, strategic brain against wise counsel and wise influences, in reference to these matters, I think he is going a little too far.

Then the hon. gentleman said we wanted a calm, cool appraisal of this problem. I think by the time this discussion has been concluded it will be found to be very complete from his point of view. We have nothing to hide; we are only too glad to explain every single item with reference to the expenditures on national defence. As I have said before, Mr. Speaker, there is no idea whatever of sending a single Canadian soldier overseas in any expeditionary force, and there is not a single cent providing for that in the estimates this house will be asked to vote. I say again to my hon. friend, with reference to our friendly relations with the great republic to the south, that there is no idea of any possible conflict with that country, and not one cent is provided for that purpose. We have an appreciation of our happy relationship with the United States extending over one hundred years, during which we have had peace, harmony and accord with that great republic, and under these estimates not a single cent is to be expended for the purpose of protection against that country. We believe, we know, protection is not necessary in that direction.

We have in this dominion, sir, a tremendous territory with two ocean flanks. Under modern conditions of warfare, which have changed so drastically in the last few years, it is the opinion of many of those who advise us that our flanks may be vulnerable. When the hon. member for Vancouver North referred to these estimates, he spoke of Canada becoming a highly militarized nation. I wonder whether I would shock hon. members if I told the house the truth. Later on this evening I am going to place upon Hansard the per capita expenditures upon armaments of every nation in Europe and every nation on the South American continent, as compared with Canada, as well as the per capita expenditure of those nations which my hon. friends visited and from which they returned with such evidence of admiration. I refer to Sweden, Norway and Denmark, and also that great nation of permanent neutrality, Switzerland. What is the comparison? As against our per capita expenditure last year of $1.77; as against Australian per capita expenditure last year of $5.28, we have the per capita expenditure of Switzerland upon armaments soaring to $19.50. Yet it is said that because of an increase of eleven and a half million dollars in the defence estimates we are becoming a highly militarized nation. The neutrality of Switzerland is guaranteed, but despite that fact—or possibly because of it—her per capita expenditures have mounted sky-high so that to-day they stand at $19.50. And the expenditures of Sweden, to which my hon. friend referred so eloquently, socialist Sweden—and I do not say that with disrespect—are very much higher per capita than are those of Canada. I admit that there are two obscure nations on the South American continent whose per capita expenditures for defence are slightly lower than the Canadian figure, but those are the only two countries I can find in that category.

To-day, Mr. Speaker, we are faced with this fact and all this talk of war on the part of my hon. friends does not touch the essential problem: Can we afford to neglect altogether the question of national security? That is the question. With reference to the Department of National Defence, I listened to the

criticism of the hon. member for Vancouver North. Certainly what he said is not in accordance with the facts; but even assuming that it might be true, the two alternatives confronting this or any other government worthy of the name would be these: Either abolish the Department of National Defence altogether or try to make that department efficient, and that is all we are trying to do at this time. We are making a definite effort to provide an efficient defence department in the Dominion of Canada; it is becoming efficient, and next year it will be more efficient than it is at the present time.

The hon. member for Vancouver North seems to have a particular dislike for some of the higher officers of the department. I wish to say to him at this time that most of those officers served Canada in the great war. Many of them served, as my hon. friend himself did, in the very honourable capacity of private soldiers. Many of them were seriously wounded and disabled in the great war. To-day, sir, in the competitions in which they take part with officers from other nations, I believe they are as well possessed of initiative and as well qualified to advise on questions of strategy as are the officers of any country in the world. As proof of that, let me cite this instance. A few days ago, in one of the colleges overseas, two of our Canadian boys, taking a course of training there, were placed first and second among those attending that school.

Does it do us any good as Canadians to have the quality and calibre of those who are doing all they can for their country, those who have great records as Canadians, maligned and impugned in this House of Commons? I do not think it does. I know these men and I know they are striving to do their very best for the protection and the defence of this dominion. The best proof which can be given of that is the fact that they are the first to be called upon if Canadian defence becomes an actuality. So I do not think we should criticize these men unduly. I have great admiration for their ability in the naval services, limited as they are; in the air services, limited as they are, and in the militia services. We have at the head of our militia training in this dominion men who have won the highest decorations in the whole empire practically; yet my hon. friend says they are unable to give us proper and expert advice. Then, to show his wonderful consistency, he proceeds to say that he has consulted with some of them—I gathered that it was in a clandestine way, not officially—and they told him that there was no danger of attack by a country 3,000 miles away. The best opinions to-day indicate that we are not invulnerable to such attacks.

Then my hon. friend went on to speak about social conditions in my own city, and I want to tell him this: Just as the hon. member for Winnipeg North Centre (Mr. Woodsworth) said in this house the other day that those who believe in increasing the estimates for defence have no monopoly of patriotism, so I say to the hon. member for Vancouver North, to the hon. member for Rosetown-Biggar (Mr. Coldwell) and to the hon. member for Winnipeg North Centre, that the members of the Cooperative Commonwealth Federation in this house or in the country have no monopoly of a real desire to help the struggling masses in the Dominion of Canada.

Then my hon. friend spoke of this "farce called national defence." I suggest that that was hardly worthy of a member of this house, because it reflects upon our Canadian citizens. There is nothing militaristic about any of the plans which are before the house at the present time. I have described what was done in regard to the navy, and this is only a humble attempt to repair the deficiencies in equipment that resulted from the years of depression in Canada. What was the result of those years of depression? There was no equipment for the training of our military service in Canada. I shall tell, later on, what we have done during the last year. We have taken some effective action, and this year we intend to pursue that course and to take further action along those lines.

The point I wish to establish is this: There is no expansion, no extension, no increase—we have only been making effective and efficient what we have at the present time. I concede that there is some increase in the air force. If hon. members will look back through the estimates of former years when this party was in power, they will find that about seven and a half million dollars were expended, and that probably through the necessities which arose during years of depression that amount was reduced to one and a quarter million dollars. Sixty-nine officers and two hundred air men were discharged from their duties. Some of those men were of the finest trained air men we had in Canada.

Once again I say we are trying to make good what was lost to Canada through policies which had to be pursued during years of depression. This year we are, I concede, increasing the personnel of our air force. We are to build more aeroplanes in Canada. May I tell the house that when this government

took office in October, 1935, there was not a single fighting aeroplane in Canada; there was not a single bomb to be dropped by an aeroplane; there was scarcely any amount of ammunition for guns. If I were to hold office without looking after these details, I could be accused of treason to the high office I now have the honour to occupy. It was my duty to protect our Canadian people, knowing the conditions which prevailed in Canada at that time.

The policy of the present government is not one of seeking war; it is not a policy of affronting enemies. It is a peace loving policy, and every hon. member of the government and all private members in the house, including those who have expressed themselves, have no desire for war. As the Minister of Justice (Mr. Lapointe) said a few days ago, we detest war. We love peace, and will do all we can to preserve it. There are no commitments, no understandings, no agreements, open or secret, of any kind. The hon. member for Vancouver North seems to think there are. He said something about a blank cheque to be written in blood, or used some fearsome phrase such as that. I wish to say that I was in London for five or six days in connection with the great Vimy pilgrimage. At that time the Minister of Finance (Mr. Dunning) was engaged in connection with the continuance of the trade treaty between the United Kingdom and Canada. Never was any suggestion made to me—and I am sure there was never one made to him—with reference to an agreement, blank or otherwise.

It is important that the country and the house should know these things. It is well that this talk, bludgeoning the house into fearsome fright with reference to war, which was indulged in by the hon. member for Vancouver North, should be discouraged. The house should know, without further discussion, for what purpose the estimates are intended. As I said before, they are entirely for the protection of Canadian shores, the protection of Canadian homes, the protection of Canadian shipping terminals and harbours. A few days ago someone said in the house that parliament might have power to regulate Canadian neutrality. May I say that any student of the law of neutrality knows that any other belligerent, without consulting this parliament, may declare us to be belligerents, and that we have not the power to protect our own neutrality.

So, Mr. Speaker, up to this point I have dealt only with the remarks of the mover and seconder of the amendment. After recess, I intend to explain exactly what these estimates are for, and to show that they are for the direct defence of Canada and for the defence of Canadian neutrality.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. MACKENZIE (Vancouver): Mr. Speaker, before the house took recess at six o'clock, I was endeavouring to reply to some of the points which were raised in the course of the discussion on the amendment moved by the hon. member for Vancouver North and seconded by the hon. member for Rosetown-Biggar. Since then I have examined certain notes which I took in the course of their remarks, and I should like now to deal with one or two of their observations before I proceed to a considered analysis of the present situation.

The hon. member for Vancouver North referred, during his remarks on the estimates for national defence, to conditions existing among ex-service men in the Dominion of Canada. Seeing that he and I have had the pleasure for many years, some twenty years now, of working together on many committees, both doing the best we could for the cause of ex-service men in this country, and seeing that there has been in this house for the last twenty years almost, ever since the armistice, a well-defined tradition that any legislation affecting ex-service men should not be interjected into any contentious or acrimonious debate, I was indeed surprised at the remarks made by my hon. friend. But when he referred to the Hyndman report and to the attitude of ex-service men, I think I am entitled to quote at this time a declaration of policy in regard to these very estimates which was made recently in the capital city of Canada by the Canadian Legion, of which my hon. friend as well as I are old members. This was the Canadian Legion's declaration of policy:

(1) That the Canadian Legion believes that the first essential toward the promotion of world peace is universal disarmament to a point consistent with preservation of order within national territorial limits, and the efficient policing of the seas.

(2) But in view of the fact that efforts made since the war toward procuring universal disarmament have, thus far, been unsuccessful, and that as a result the nations of the world

are now rearming to a greater degree than ever before and, in view of the fact that certain of the great powers do not adhere to the League of Nations, and that others, on occasion, have flaunted its decisions, the Canadian Legion believes that the time has now come when the people of Canada should give consideration to the problem of national defence.

(3) That in view of the fact that since the passage of the Statute of Westminster Canada is now an independent nation within the commonwealth of the British Empire, it is necessary that Canada should assume the responsibilities of nationhood, and that we should not rely upon the United Kingdom for our defence by sea or land.

(4) That we, therefore, believe that it is essential that Canada should, forthwith, develop a defence policy which, in the first place, would be designed to enable us to effectively defend our neutrality in case of war and protect our trade and commerce, and ultimately enable us to defend our eastern and western coasts from aggression by enemy forces.

(5) That in so declaring we definitely exclude a policy of arming for purposes of aggression; that we regard our frontier with the United States as one which does not require protection, but we feel that if Canada is to retain her place as an independent nation in the world, she must be able to defend herself from threats of aggression from overseas, which in the present state of world politics cannot be regarded as idle.

(6) That accordingly—

This, Mr. Speaker, is the major organization representing the ex-service men in the Dominion of Canada, speaking within the last two weeks in the capital city of Canada:

(6) That accordingly, we endorse the proposals of the government to increase our national defences and trust that such defences may be developed along the lines suggested, to make our coast secure from attack by sea, land and air, and to preserve our position as an independent nation which does not seek to interfere with the rights of any other nation but only to develop its national life in a world where peace should prevail.

So I submit that when in a debate concerning an increase or extension in the estimates of the National Defence department, the hon. member for Vancouver North raises the issue of the Hyndman report, he is hardly doing justice to himself or to his splendid record of service over many years in the cause of the ex-service men in this dominion.

My hon. friend also said in the course of his remarks that instead of suppressing discontent we should try to remove the causes of discontent. I thoroughly agree with that sentiment.

Mr. WOODSWORTH: Hear, hear.

Mr. MACKENZIE (Vancouver): And the hon. member for Winnipeg North Centre says, "Hear, hear." I want to tell my hon. friends once again that in the removal of the causes of discontent in Canada they have no monopoly of intent or of idealism or of action.

Mr. WOODSWORTH: But may I suggest that the government has the power.

Mr. MACKENZIE (Vancouver): The hon. member for Vancouver North by his amendment is seeking to obtain power, because the carrying of his amendment would mean the defeat of this government; a socialist government would then be in control in this dominion, and we would have the establishment of a socialist state. That is what the amendment means, and nothing else.

An hon. MEMBER: What is wrong with that?

Mr. MACKENZIE (Vancouver): The hon. member for Vancouver North spoke of vessels making sporadic raids on our Canadian shores, and asked: Does that require any additional defence? Well, Mr. Speaker, the whole theory of national defence to-day, with reference to coastal defence, deals with that specific problem, and it is for meeting these sporadic raiders or aircraft carriers that these estimates are compiled. If my hon. friend has read, as he probably has, the most recent pronouncement of those who are competent to make proper observations upon the subject, he would find that the entire conception of Canadian naval, military and aerial defence is based upon the action of sporadic raiders, or upon aircraft carriers. I want to tell my hon. friends this: We are prepared to build a hundred aeroplanes in the country. These, sir, are not necessarily finally localized in any portion of this dominion. They would be machines of high velocity, capable of being moved within a few hours for the defence of any portion of Canada—available for the protection of the great St. Lawrence river, available for the protection of Montreal, available for the protection of Quebec, available for protection against any raid that might be made on the grain elevators of this country. In this day of aircraft carriers it is quite conceivable that enemy nations might raid this nation, supplying food as a neutral amongst belligerents. Our elevators and our food supplies might be raided, and apart from our essential coast defence our food supplies must be protected in the case of any hostilities.

The hon. member for Vancouver North also mentioned the organization of war industries, and I intend to deal with that very briefly before I conclude. He also dealt with the

question of profiteering. I desire, before I go any further, to say at this moment that ever since this government has been in power it has been giving very serious attention to this whole question. It has been dealing with the question of profits in peace time, dealing with the export of munitions in peace time and dealing with the provision of supplies in war time. I want to tell my hon. friend that all these matters of which he has been advocating a vigorous and relentless supervision, have been anxiously considered by the government with a view to meeting the situation. So it is purely academic for him to bring up the question at the present time.

I should like to deal briefly with some of the remarks made by the seconder of the resolution. He wanted an outline of government policy in relation to foreign affairs. I thought the Prime Minister and the Minister of Justice had already given, during the present session, a concise and comprehensive review of the position of Canada with relation to foreign affairs, and I doubt not that before this debate is concluded a further contribution may be made in this regard. My hon. friend also spoke of the organization of potential war industries, and he said that these estimates connot be construed as defence estimates but must be taken as estimates for an expeditionary force. I dealt with that before six o'clock.

My hon. friend also referred to imperial officers on exchange in this dominion. There is nothing new about that; it has been going on in Canada for a score or more of years. Officers have been on exchange from Canada to England, and from England to Canada, just the same as they have been on exchange with other portions of the commonwealth. That has absolutely nothing whatsoever to do with questions of policy. It is purely for the purpose of a better understanding of training systems, systems of organization, and systems of equipment of the various nations. It has nothing whatever to do with the increase in the present estimates or with the policy of the nation in connection with these estimates.

I should like now to review briefly the world situation at the present time to indicate why it is necessary for us to repair the deficiencies that exist in our equipment and in our facilities in Canada if we are to provide reasonable security and reasonable defence.

Look at Spain torn with ruthless civil war, with class passions threatening any moment to engulf the whole group of European nations. Italy having just completed a successful defiance of the League of Nations, is continuing to arm at a furious pace. Germany is spending $4,000,000,000 on armaments this year. Russia, armed and disciplined as she has never been before since the days of the czars, possesses the greatest air force in the world, and maintains constant vigilance on her coasts both east and west. Her defence appropriation last year, according to the estimates received, was $3,000,000,000. Czechoslovakia, the most perilously situate of all the mid-European states, has just enacted the most drastic law in history, appropriating to the state every soul between the ages of sixteen and sixty, and the use of any and all property, private and individual. The Popular Front government in France, dominated by socialist philosophy, has just put through a new three-year defence program. The Maginot line, costing $2,000,000 a mile, is to be extended from the Mediterranean to the North Sea. France is expending forty per cent of her budget upon her national defence. Poland likewise has set about erecting a maginot line of her own on her German frontier. What Great Britain is doing is, I think, known to every hon. member. Then let us cast our eyes to the far east, where China is torn with civil faction, and Japan seems to be restlessly seeking continental expansion. Clashes are in evidence every day. In Australia all parties, including the commonwealth Labour party, are joining together for an adequate plan of national defence. The other day we witnessed, as I mentioned before this afternoon, the British manoeuvres at Singapore, and last year, very near the Canadian shores, off the coast of Alaska, we saw the greatest war manoeuvres in the history of this great peace loving neighbour of ours, the United States.

So let us face realities. Look at Europe; witness what has happened there—the conflict between force and reason, the repudiation of treaties, the destruction of dynasties, the violation of the cardinal principles of the League of Nations, and to-day the ugly menace of civil war. In the orient, I regret to say, conditions are scarcely better, and the United States is spending the greatest sums in her history upon the coastal defence of the Pacific ocean. Let us remember that many nations to-day are ruled not by parliaments but by individuals and dictators. We in Canada are very happily placed in that parliament still governs, democracy is still in the saddle, and autocracy has not yet obtained the supremacy. We are, as has been said, a fortunate nation, fortunate in our great institutions of liberty, fortunate in the contributions which all the various races have made toward the development and the upbuilding of this Canadian land. And that race, sir, of which you are such a distinguished

representative, has made to this nation a contribution which is abiding and beyond price.

Let us look at our situation to-day. As my leader has said, I believe, the house in which we dwell, this Canada of ours, has its front door open with no one to watch it, and its back door open with scarcely anyone to guard it. We in this country, in this parliament, in this government, are not concerned with any policy of aggression; we are concerned purely and simply and entirely with the defence of Canada. As I said before, there is no need of defence against our great neighbour to the south. The possibility of conflict there has been entirely discounted. As I said before six o'clock, there is in the estimates nothing for any expeditionary force, but provision only for the defence of Canada against those who might assail us or violate our neutrality. I cannot repeat too often that the defence of our shores and the preservation of our neutrality are the cardinal principles of the defence policy of the Dominion of Canada.

This afternoon I heard an hon. member refer to protection from two other countries. May I say in reply that we cannot afford nor do we wish to lean too much upon any nation. Let us put our own house in order so that we shall not be dependent or a burden upon either the great republic adjoining us or the commonwealth of British nations to which we are so intensely proud to belong. Some in this house and in the country would have us do more than we are doing. Some in this house and in the country would have us do nothing at all. I desire to suggest that the safe policy is to preserve the unity of the Canadian people, to avoid, on the one hand, extremes of inaction as suggested here this afternoon, or, on the other, extremes of excessive action as may be suggested before this debate is concluded, and to preserve a prudent, moderate and safe course, in other words a rational policy of domestic defence for the Dominion of Canada.

Someone—I think it was the hon. member for Rosetown-Biggar—referred this afternoon to our foreign policy. In my judgment, looking over the field in possibly an academic way, we should have a home policy and a foreign policy. In that I agree with my hon. friend. In my judgment our home policy is to preserve at all costs the unity of Canada and our Canadian people upon this and all other problems. In regard to foreign policy I think the finest guiding maxim that we ever had was given us by our leader the other day when he quoted from Holy Writ these words, "If it be possible, as much as lieth in you live peaceably with all men." According to the practice of the Scottish Presbyterians I should like to divide that into three parts: in the first place, "if it be possible." In other words, we may not be the masters of our fate or the captains of our souls. But if it be possible, we are pledged to the great cause of world peace. The second part is, "as much as lieth in you." We may not be free agents eventually or finally in the settlement of this great problem. Other nations, unfriendly nations, may settle it against our judgment and against our will. But if the first two conditions are fulfilled, "if it be possible" and "as much as lieth in you," then what is the great ideal? "Live peaceably with all men." In other words, the ideal of this government and its supporters, and I believe the ideal of all hon. members of this house, is to do all we can for the preservation of world peace, in our nation, with other nations, and in our time.

That brings us to the inherent obligation of our dominion or its own primary responsibility, which is its own defence. The obvious responsibilities of Canada might be regarded as fourfold: the responsibilities of Canada to Canada itself; the responsibilities which might eventuate to Canada as a member of the British commonwealth; the responsibilities of Canada as a member of the League of Nations, and the responsibilities of Canada as one of the great and growing nations of the world. To sum it up again, may I say that these are threefold: the maintenance of internal security in our dominion; the preservation of strict neutrality, law and order within our territorial waters in time of peace, and the protection of our coasts and focal areas in case there may be conflict. In other words, as I have already mentioned, our duty is the direct defence of Canada and the defence of Canadian neutrality, and the latter is of significance with respect to Canada's responsibilities along her seaboard, and perhaps particularly along her western seaboard. At the present time, I must state, Canada's existing naval, military and air forces are incapable of ensuring anything approaching adequate supervision of her harbours, her coasts, and her great shipping ports. If we have this mad race of armaments to which reference has been made, that is the extreme in one direction. On the other hand, Canada has been neglecting the matter of essential armaments even to the point of endangering her national security, and that is the extreme in the other direction. It cannot be too strongly emphasized in connection with the estimates now before the house that the two essential principles have been observed in our action with

reference to the friendly republic to the south and in the fact that there is not a single cent in the estimates for sending a mobile or expeditionary force overseas.

Now I should like, with the consent of the house, to place on Hansard the record of the per capita expenditures of Canada as compared with those of the other nations of the world. First, there is a comparison between Canada and the other nations of the commonwealth with reference to per capita expenditures on armaments; second, a comparison between Canada and other nations on the American continent, and third, comparison between Canada and the other world nations with respect to the same expenditures:

Per Capita Defence Expenditure 1931-32 to 1936-37 for the Defence Forces of Canada, Australia, New Zealand and South Africa

(Latest figures available)

Year	Canada	Australia (b)	New Zealand (b)	South Africa	Canada's Defence Expenditure
	$ cts.	$ cts.	$ cts.	$ cts.	$
1931-32	1 71 (c)	2 53	1 66	2 02	17,585,460
1932-33	1 35 (c)	2 27	2 00	2 03	13,348,716
1933-34	1 24 (c)	2 40	1 50	2 20	13,149,409
1934-35	1 19 (c)	3 17 (a)	2 22 (a)	3 34 (a)	13,041,000 (d)
1935-36	1 41 (c)	4 37	2 38 (a)	4 53 (a)	15,397,065 (d)
1936-37	1 77 (c)	5 28 (a)	N.A.	N.A.	19,358,454 (d)

NOTES: (a) The exchange rates used are those for December, 1934 and 1935 respectively.

(b) New census figures were available for 1935-36 and have been utilized for that year's computations.

(c) Cost of civil air operations, civil aviation, general services (civil government), N.W.T. radio service and other similar services have not been included in computation of per capita expenditure. Information provided by F. S. Branch, National Defence Dept.

(d) Information supplied by F.S. branch, National Defence Dept.

N. A.—Information not available.

Expenditure on National Defence—South American Countries

(latest available figures (a)).

Country	Population	1934-35			1935-36		
		National Defence Estimates(b)			National Defence Estimates(b)		
		Total 000's omitted (c)	Per capita	Per cent of total Budget	Total 000's omitted (c)	Per capita	Per cent of total Budget
		$	$		$	$	
Argentina	12,393,000	34,900	2·82	15·4	46,068	3·72	(d)
Brazil	44,002,000	53,784	1·22	25·0	57,816	1·31	(d)
Chile	4,508,000	35,090	7·78	34·6	18,100	4·01	(d)
Mexico	18,596,000	16,740	0·90	22·5	20,850	1·12	(d)
Peru	6,147,000	6,969	1·13	(d)	7,982	1·30	22·0
Venezuela	3,324,000	8,235	2·48	(d)	7,930	2·39	(d)

NOTE:—(a) The figures used were obtained from the League of Nations' Armaments Year Book (1936) and Statesman's Year Book (1935 and 1936), and are the latest available figures. No figures for 1936-37 available.

(b) Estimated expenditure only is available—no statements of actual defence expenditure for 1934-35 and of actual defence appropriations for 1935-36 are available.

(c) Currency rates prevailing in December of each year used in computing dollar figures.

(d) Total budget figures not available.

EXPENDITURE ON NATIONAL DEFENCE—VARIOUS COUNTRIES

(Latest available figures)

Country	Population	1934-35			1935-36			1936-37		
		National Defence Expenditure			National Defence Appropriations			National Defence Appropriations or Estimates		
		Total 000's omitted	Per capita	Percent of Total Budget	Total 000's omitted	Per capita	Per cent of Total Budget	Total 000's omitted	Per capita	Per cent of Total Budget
		$	$		$	$		$	$	
Australia	(a) 6,724,305	21,017	3 17	10·4	(b) 29,189	4 37	(b) 9·5	(c) 35,237	5 28	(c) 10·8
Canada	10,949,000	13,041	1 19	(d) 2·7	15,397	1 41	(e) 2·9	19,358	1 77	(f) 3·7
Great Britain and N. Ireland	(g) 46,889,000	491,436	10 48	14·0	660,305	14 14	14·8	(h) 966,522	20 61	(i) 24·7
New Zealand	1,573,000	3,495	2 22	3·8	(j) 3,744	2 38	(j) 3·6	(k)	(k)	(k)
South Africa	1,914,700 (whites)	6,405	3 34	3·1	(j) 8,675	4 53	(j) 4·9	(k)	(k)	(k)
Belgium	8,276,000	58,415	7 05	12·2	37,984	4 59	11·3	57,214	6 92	(u) 16·0
Denmark	3,684,000	9,042	2 45	11·2	9,192	2 50	10·9	9,164	2 48	(k)
Finland	3,762,000	15,366	4 08	25·4	15,514	4 12	21·1	18,680	4 91	(k)
France	41,940,000	744,265	17 94	23·0	704,285	16 79	22·4	(l) 861,600	25 00	(m) 41·3
Germany	66,616,000	352,354	5 29	13·8	(n)	(k)	(k)	(n)	(k)	(k)
Italy	43,009,000	359,893	8 36	19·3	(o) 348,668	(o) 8 11	(o) 22·4	(o) 245,400	(o) 5 69	(t) 15·1
Japan	69,251,000	264,685	3 82	43·7	296,975	4 30	46·6	(p) 402,410	5 81	46·8
Norway	2,884,000	9,105	3 15	9·9	9,547	3 31	9·3	9,628	3 33	(v) 7·9
Russia	168,000,000	1,000,000	5 95	10·2	1,640,000	9 77	12·6	(q) 2,960,000	17 62	18·9
Sweden	6,248,000	32,075	5 13	11·6	30,914	4 95	11·4	31,500	5 04	(k)
Switzerland	4,163,000	29,920	7 18	19·5	31,475	7 56	20·1	(r) 80,480	19 50	(k)
United States	127,500,000	804,700	6 31	10·9	(s) 906,700	7 11	(s) 11·8	(s) 985,455	7 72	(s) 14·5

NOTES

General: Computations for non-British countries for 1934-35 and 1935-36 based on League of Nations Armament Year Book (1936) and Statesmen's Year Book (1935-36) statistics except where otherwise stated in Notes.
Currency rate prevailing in December of each year used in computing dollar figures.

(a) Australian population figure prior to 1936 Census—6,668,195—used for per capita costs of 1934-35 and 1935-36.

(b) Official Australian report.

(c) Reported in Australian Intelligence Diary No. 9/1936, dated 28th September, 1936.

(d) Percentage of total actual expenditure as given by Minister of Finance, in House of Commons, 1st May, 1936.

(e) Percentage of total extimated expenditure as given by Minister of Finance, in House of Commons, 1st May, 1936. (Figures of actual expenditure not yet available.)

(f) Percentage of total estimated expenditure as supplied by financial superintendent's branch, November, 1936.
(g) British population figure prior to 1936 census—46,681,000—used for per capita costs of 1934-35 and 1935-36.
(h) From "London Times", 10th July, 1936.
(i) From "Ottawa Journal", 4th July, 1936.
(j) From Statemen's Year Book, 1935.
(k) Information not available.
(l) From "Ottawa Journal", 10th November, 1936.
(m) From "Montreal Gazette", 29th October, 1936.
(n) Quoted in British House of Commons (20 July, 1936) as being $4,000,000,000 for each year and to be expended on defence forces, on strategic roads and on other matters which are directly or indirectly connected with problems of defence.
(o) Does not include extraordinary expenditure for Italo-Ethiopian war.
(p) From "London Times", 17th January, 1936. Reported that a further sum (estimated at about $550,000,000) over and above this figure is to be spent on expansion and rearmament of defence forces during the next five years.
(q) From "London Times", 17th January, 1936.
(r) From "London Observer", 21st June, 1936.
(s) Official Budget statements of 1935 and 1936.
(t) From "Montreal Gazette", 11-1-37.
(u) "Canadian Commercial Journal", 21-11-36.
(v) "London Times", 16-1-37.

Coming now to a discussion of the question of neutrality, let me envision the situation with Canada out of a prevailing conflict and with Canada being faced with the necessity of protecting her own neutrality. In other words, she must be able to defend her territory from being utilized by combatants for belligerent purposes. As a rule I do not like using quotations, but I should like to quote in this connection from an address delivered at the Canadian Institute of Economics and Politics last year by Professor Lower. He contemplates the situation and names the combatants. I would not do that, but I think I am entitled to quote from his remarks. He says:

> If a war should break out between Japan and the United States, we should be affected at once. The question would immediately arise as to whether we would maintain our neutrality.
>
> There are a number of factors which might render it difficult for us to do so. We would have to keep the warships of both belligerents out of our ports and prevent either one of them using any part of our coastline against the other.
>
> The Americans might wish us to give them the right to fly across our territory to Alaska. . . . But we could not give privileges to one of the belligerents that we would not give to the other. . . .
>
> It would seem to be only good judgment for us to prepare our western coast so that we would maintain our neutrality as against both combatants. . . .
>
> If the coast continues defenceless, Japan might try to make use of its islands and inlets as bases for operations against American ships.
>
> If that were to occur, the Americans would at once demand the right to put the Japanese out. . . .
>
> Once allowing that, we would have virtually abandoned neutrality, and we would be in great danger both of being drawn into the war and of losing control of our own territory. . . .
>
> Measures of coastal defence on this sector would appear to be both wise and self-respecting.

I suggest, therefore, without referring to what I might term the alleged obligations of Canada as a result of various conferences, but only the obligation of Canada in relation to Canadian defence, that problem is no longer the traditional obligation of local defence but the complete responsibility for defence in consequence of Canada's new sovereign status. And I would direct that remark particularly to those in this dominion who very properly have strong nationalist ideals. The more you believe in, the more you subscribe to doctrines of Canadian nationalism, the more must you provide for the defence of the Dominion of Canada. You cannot any longer lean upon the alliances or the implied alliances of the past; you can no longer lean upon the implications of the Monroe doctrine. If you are going to profess the virtues and the pride of nationalism, you must face your responsibilities and meet your obligations in accordance with the status of sovereignty.

As I said before, the present policy is not new. It was formulated by Canada and it is limited to the defence of our shores, our homes, our territorial waters and our neutrality. And I desire to say very definitely that the development of any policy of defence is not greatly assisted, at the present time especially, by the declarations of those who speak in other places with reference to a compulsory coordinated defence policy in which Canada would assume automatic responsibilities. In maintaining the essential principles of Canadian unity it is necessary to observe that the prevailing sentiment of public opinion in Canada to-day would not be in favour of committing the Canadian people to automatic responsibility in regard to any centralized or coordinated scheme or plan of defence, and just as we in Canada are not inclined to assume any automatic obligations or any automatic responsibility, so also, as was definitely proved by recent discussions in this house, Canada is opposed to any precarious policy of automatic neutrality. The reason for that is that so long as we have international brigandage as at the present time, so long as the swash-buckling international gangster is stalking about the world, so long as we have dictatorships in power, swayed by ambitions of conquest and the passion for personal power, so long will it be necessary for the smaller nations of the world, lovers of liberty, to be prepared to defend their liberties against licence and their freedom against aggression. That is why a policy of precarious permanent neutrality spells the death knell of democracy throughout the world.

It has been said many a time in this parliament, from 1923 when the Prime Minister made his declaration down until a week ago, that parliament will decide in so far as the initiative may rest with Canada and the Canadian people. But if we were unable to protect our own neutrality we might be declared a belligerent, and some foreign power might decide that we were involved. Therefore we must be equipped successfully to protect our own shores, our seaports and the focal areas of trade routes adjacent to the coasts of Canada. If parliament decides we are neutral we must be able to protect our neutrality; otherwise we may be dragged in by causes over which we have no control.

I therefore approach the keynote of the present increase, or extension, or expansion in the estimates, and its purpose is fourfold. In the first place, we must provide for additional aircraft together with supplies and accommodation and personnel for patrolling our coasts and shipping terminals and for defending ourselves against the attacks of those who may violate our neutrality. In the second place, there is in addition to supply and shore structures a very slight and unpretentious addition to our naval strength, to patrol our coasts and shipping terminals, to keep our harbour mouths free of mines and to challenge any suspicious craft. In the third place, there is provision for additional coastal batteries, including anti-aircraft defence equipment to engage hostile craft and defend the entrances to our ports and inland waters. And lastly there is additional training for the militia, especially coastal artillery and services likely to be called upon in various emergencies.

May I sum up this part of my explanation by referring to the cardinal principles of the present defence program as submitted to the house about a week ago by the leader of the government. In the first place, our enlarged defence estimates are submitted only for the defence of Canada. In the second place, they were not arranged between Canada and any other nation. In the third place, there has not been in connection with a single item of the estimates so submitted any request from any government in any other place whatsoever. In the fourth place, parliament itself must be the final judge as to Canada's participation in any future war, and in the last place, with reference to the League of Nations, only a universal league would be an absolute guarantee of peace.

I should like to approach the third aspect, in regard to the conditions which prevailed in the defence situation in Canada in 1935. Certain matters were brought to my attention in 1935 and I want to explain to the house frankly the position and what was done. In regard to our naval forces it was reported that even assuming an effective air force and militia cooperation, Canada did not possess adequate naval forces to guarantee her neutrality in a war in which she did not wish to be a belligerent. In October, 1935, Canada possessed two effective torpedo boat destroyers, two torpedo boat destroyers due for retirement or demilitarization, and one inefficient mine sweeper. The action already taken has been as follows: The two old destroyers have been demilitarized; two new destroyers—four years old—have been purchased; a small training schooner is under construction in Nova Scotia; the outfit of ammunition for ships in commission has been virtually completed, and gunnery and other equipment of ships in commission have been modernized. That is all that has been done, and the estimates this year are just by way of continuing and carrying on that work.

In reference to shore facilities—the hon. member for Victoria, B.C. (Mr. Tolmie) knows about and will appreciate the situation there—it was reported that the barracks, dockyards and other shore facilities were inadequate. Immediate action was taken to remedy this condition. It was further reported that the naval magazine at Esquimalt harbour was condemned in 1905 and was a positive menace to the surrounding community. Immediate action was taken in this regard. It was also reported that the wireless equipment at both Halifax and Esquimalt was inadequate; immediate action was also taken in this regard.

Then, to come to the militia services, it was reported that there was not a single modern anti-aircraft gun in the whole Dominion of Canada. What a splendid condition for a great and wealthy nation like Canada! In justice to my hon. friend the member for Yale (Mr. Stirling), I want to say that he took action with reference to that before I stepped into office as Minister of Defence. He commenced a program which I am endeavouring to carry out in reference to anti-aircraft guns. It was also reported that the stock of field gun ammunition was precariously low. It was reported that coast defence armaments were in many cases defective. It was reported that beyond a few batteries no provision had been made for mechanical transport. Action was taken in these matters. It was reported that there was an insufficient supply of respirators even for the permanent force, and action was taken in this regard. It was reported in regard to manufacturing facilities that none existed in Canada for the production of rifles, machine guns and artillery weapons. Action has been taken to a certain extent in this regard, and more is to be taken under the estimate now under consideration.

In regard to reorganization, it was reported that reorganization of the militia had been recommended in 1932, approved in principle but no further action taken. May I say that the post-war establishment consisting of eleven infantry and four cavalry divisions has been reduced to six infantry divisions and one cavalry. The form of militia organization had to be adapted to modern types of arms and equipment. A few inactive units have been disbanded; thirty-six regiments of cavalry

have been reduced to sixteen, plus four armoured car regiments, and in regard to infantry and machine gun battalions, one hundred and thirty-five units have been reduced to ninety-one. It is true there has been an increase in artillery units and Royal Canadian Engineers. In the Royal Army Medical Corps thirteen surplus units have been disbanded. That means that the paper strength of 135,000 has been reduced to 90,000. All have been made ready for the process of reorganization and mechanization, and the duty of this parliament at the present time as I see it is to provide equipment for the small militia force which we have to-day in Canada. When we come to discuss the estimates, hon. members will find that the main increase is to provide stores and equipment in order to provide a more efficient and effective force.

With reference to the air force, it was reported that only twenty-three aircraft of a service type were available in Canada. Not one plane was suitable for active service under present day conditions. Orders were placed last year, some by my predecessor, for eighteen aircraft, and under the present estimates steps are being taken to increase this number. Now let me deal with what happened to the air force of Canada. I find that the appropriations were as follows:

Air Services

1930-31..	$7,475,700
1931-32..	5,322,000
1932-33..	1,750,000

Or a total reduction in two years of $5,725,700 or 75 per cent.

Then the Royal Canadian Air Force:

1930-31..	$2,510,000
1931-32..	2,266,000
1932-33..	1,555,000

Or a total reduction of 36 per cent.

Then we have the most disastrous reduction of all. In 1931-32 flying hours were increased by 5,000. But in 1932-33 flying hours were reduced by 27,095 hours, from 32,095 hours to a total of 5,000 flying hours. In the following year a further reduction of 3,800 hours was made so that the total hours of flying in this dominion were reduced in three years from 32,095 to 1,200. In other words, flying was discontinued in Canada during the years of the depression. This will explain the reason for the present increase in the air force estimates.

For the purpose of my argument I am not going to refer to the personnel of these forces. But I wish to drive home as strongly as I can that the increase of $6,706,000 in the air force vote is to repair what was done during the years of the depression.

[Mr. I. Mackenzie.]

Next I come to the question of industrial organization. I think both the mover and seconder of the resolution said that nothing had been done by this administration with reference to industrial organization or industrial mobilization in Canada. But I want to tell my hon. friends that for the last eight or nine months the Department of National Defence in cooperation with other departments of the government has been engaged upon the most comprehensive industrial survey of Canada that was ever made in her history. This has been done in other nations. Australia has been carrying out such a survey for the last fifteen years; England has been doing so for the last eight years; we are endeavouring to do in two years what should have been done many years ago, and inside two years we shall have a comprehensive industrial survey covering every industry in Canada so as to enable it to be mobilized for this nation in case it should be assailed or in case of any national emergency. What has been done? We have obtained information as to the availability in Canada of facilities for the production of shells, fuses, explosives and propellants, guns and gun cartridges, motor vehicles, aircraft, aircraft engines and accessories, and we have received the most loyal cooperation from other departments of government, notably the Department of Labour, the Department of Mines and Resources, the Department of Transport, the Department of Agriculture and the Department of Trade and Commerce.

May I repeat once again that this is not in any way to develop, in regard to the equipment required for our militia service, a policy of centralization, or for any other extraneous purpose. The reason for the increase in the militia service vote, which possibly is not as popular as the increase in the vote for the air force or the small increase in the naval vote, is twofold. In the first place, it is to provide new, modern and up to date equipment for our militia services and, in the second place, to give us a small force to cooperate with our air force and our naval force for the protection of Canada, within Canada only. I hope that is quite precise, definite and clear to every hon. member.

I think, sir, I have dealt with the question of industrial mobilization. Now I wish to deal with the question of profits, raised in a previous debate, and mentioned by both speakers this afternoon. This question divides itself into three categories. The first is the supply of defence equipment in peace time; the second is the export of munitions or supplies beyond the country, and the third is

the supply of munitions and equipment in war time. With reference to the second and third, these can and will be controlled, and measures of the most vigorous and relentless nature already are under preparation for this purpose. With reference to the first of these categories, having to do with the supply of defence equipment in peace time, government policies were formulated some time ago. They are very similar to those recommended by the commission in Great Britain and by the senate commission of investigation of the United States, to which reference was made this afternoon. They are designed to safeguard the public interest as far as possible by competition, where competition is possible. Where this cannot be done; where competition is not possible, they are designed to establish rigid principles of reasonable remuneration, to make unfair profits impossible and to provide for a thorough system of inspection and audit. So I trust my hon. friends will realize that when they raised this question they discussed a matter which was decided and acted upon by the present administration many months ago.

Now I come to an analysis of the estimates for 1937-38. Before going on with this, however, I desire to make one or two references to the change in conditions of warfare, as they affect our air forces in particular. This afternoon I referred to the air defence bases bill of 1935, adopted by the United States, which proved that the great republic to the south does not consider itself unexposed to air attack from Europe and Asia. It is taking defensive measures in consequence of that view. As the eastern and western portions of Canada lie in the great circle routes from Europe and eastern Asia to the United States respectively, it is clear that Canada is still exposed to air attack from overseas. Consequently the question of air defence is becoming one of increasing importance to this country.

With reference to the militia situation of a year ago, I desire to repeat that the militia possessed then, and to-day possesses, little of armoured fighting vehicles, of supplies of mechanized transport of approved design or of modern weapons. To revert to the air forces of Canada, while it is not contended that Canada's requirements are comparable with those of the great powers, perhaps at this time it is pertinent to remind hon. members that Canada's air force is entirely inadequate to meet her modest defence requirements; further, that at the present moment this country does not possess an aircraft industry worthy of the name and that all our airplane engines are being imported. With reference to coastal defence, at both Esquimalt and Halifax it was necessary to embark upon the modernization of equipment.

The immediate requirements in our air force are modern aircraft bases; advanced and intermediate operating stations; repair and supply depots and training centres. The requirements of our air defence on both east and west coasts necessitate provision for the reconnaissance of vast sea areas and lengthy coast lines, and the defence of our ports from hostile aircraft carriers or overseas borne aircraft. As I said before, under modern conditions, with aircraft carriers the enemy could attack our coastal cities and smash up our elevators and other places used for the storage of foodstuffs

I have before me an actual analysis of the estimates of the Department of National Defence. Taking first of all our naval forces, the increase in the present year over last year is $1,832,310. The increase in personnel is: Royal Canadian navy, 373, by reason of the larger size of the newer vessels, and Royal Canadian Naval Volunteer Reserve, 161, making a total, after these estimates are adopted, of 2,771 in the navy. The details of the increase are:

Pay and allowances	$359,325
Stores and allowances—	
Ammunition and stores	350,760
Four minesweepers	750,000
Repairs—maintenance	128,000
Works—lands and buildings—	
Joint service magazine	200,000

In regard to the air force, the increase amounts to $6,706,622, which can be divided into permanent, $6,176,692 and non-permanent, $529,930. Those amounts can be again subdivided into:

Permanent—	
Administration—	
Training and maintenance	$ 629,749
Stores and equipment	4,524,847
Engineer services	1,022,096
Non-permanent—	
Administration and maintenance	107,715
Stores and equipment	413,215
Engineer services	9,000

In other words, stores and equipment take up over $5,000,000 of the total increase of $6,706,622. I should like to make that very clear. The increase in personnel of the air force, made necessary by the modest program of expansion being undertaken, is forty officers and 519 airmen. In regard to stores and equipment, the subdivisions are as follows in part:

Aircraft stores	$ 345,924
Ammunition	113,934
Stores	1,499,763
Aircraft	2,019,263
Engines	187,500

This makes a total of nearly $5,000,000. The new aircraft proposed will include twelve two-seater fighters; seven Stranraer flying boats; eighteen coastal reconnaissance ships; eleven torpedo bombers; twenty-seven (ab initio) training planes and twenty-four bombers and three army co-operation, or a total of 102 airplanes costing in round figures $3,000,000, with engines costing $237,000. The engineer services in connection with the air force provide for an increase of $1,000,000, of which the central depot at Trenton takes $747,000; the Pacific coast, $450,000, and the Atlantic coast, $435,000. These, together with some smaller items, account for the total air force increase of approximately $6,700,000.

In regard to the militia services, the total increase is $5,831,502. That amount is broken up as follows:

Engineer services and works....	$1,867,850
General stores and equipment..	3,509,499
Permanent force..	234,713
Militia..	220,640
R.M.C.	8,800

The amount of $1,867,850 for engineer services and works is for works at Ottawa, Petawawa, London, Barriefield, St. John's, P.Q., Valcartier, Halifax, Winnipeg and Shilo, with about $1,000,000 to be expended on the Pacific coast for emplacements, gun positions and technical equipment, and small amounts for Dundurn and Calgary. Of the increase of $3,509,499 in general stores and equipment, artillery stores take up $2,858,616 and the dominion arsenal at Quebec about $450,000. The artillery stores include ammunition, shells, cartridges, fuses of various sizes and descriptions, as well as tractors, training equipment, machine guns, anti-aircraft searchlight equipment and anti-aircraft guns, together with batteries of coast defence guns as well as a substantial number of the new light Bren machine guns.

In the non-permanent militia service the increase is $220,640, and this increase is in order to give additional days of training to the small, compact force we have now established in the Dominion of Canada. In the permanent force the increase of $234,000 is caused by an increase in the personnel of twenty-two officers and 173 other ranks, including nine officers and eighty other ranks previously under civil aviation vote, largely the result of new instructors being required consequent upon the reorganization and mechanization of the militia.

To sum up all these figures, the militia service is increased $5,832,000; the naval service is increased $1,832,000 and the air service is increased $6,552,635, deducting the items in last year's estimates not repeated this year in connection with projects generally, $2,601,332, making a net increase of $11,615,000 in this year's estimates. These are the actual details of the estimates. They are all for the purpose of coastal defence, and for increased equipment and for cooperation of militia services of Canada with the air force and naval forces for the protection of Canada, within our own borders. I cannot make that sufficiently clear to hon. members of the house.

I desire to deal once more with the amendment of the hon. member. It is strange that in Canada, which is probably potentially one of the richest countries in the world, that we do not find the same cooperation between members of the Labour party and the government of the day with reference to the question of defence as we do in other countries. Canadian socialists oppose even these modest provisions for defence in Canada. That is not the policy of the Labour or Socialist party in Great Britain. It is not the policy of socialists in France. It is not the policy of the Australian Labour party.

I desire to read with emphasis a motion carried at the recent labour conference held in Edinburgh in October of last year. On motion of Mr. Dalton, the Labour party conference adopted by a majority of 1,081,000 the following resolution:

> That in view of the threatening attitude of dictatorships which are increasing their armaments at an unprecedented rate, flouting international law, and refusing to cooperate in the work of organizing peace—

Listen to this:

> —this conference declares that the armed strength of the countries loyal to the league of nations must be conditioned by the armed strength of the potential aggressors.
>
> The conference therefore reaffirms the policy of the Labour party, to maintain such defence forces as are consistent with our country's responsibility as a member of the league of nations—

And now I desire to emphasize these three points:

> (a) the preservation of the people's rights and liberties, (b) the continuance of democratic institutions, and (c) the observance of international law.

I suggest that all three of these points apply to the Dominion of Canada to-day. Here we have members of the Cooperative Commonwealth Federation whose political philosophy is based essentially upon the doctrine of socialism. Here we have hon. members of that party moving a vote of want of confidence in this administration, with two points in mind: (1) a disapproval of the modest expansion of our defence system, and (2) a spurious laudation of their own political philosophy of socialism.

May I now quote the final words from Major Attlee's speech, leader of the Labour party in Great Britain. He said: The La-

bour party believed that they must take every step to deal with the curse of war, and on the other hand, they were not prepared to bow down to fascism or to be conquered by fascism from without or from within. "The level of British armaments," he said, "must be fixed with regard to our position in relation to collective security."

In the Australian Labour party which follows a policy similar to that of hon. members in this chamber, there has recently been a complete change—due to what? The change has been due to recent world developments and the present menace. The Australian Labour party has now adopted a defence program of its own providing: (1) for the defensive organization of industry; (2) for training and equipment of a substantial nucleus of effective field forces, capable of speedy expansion; (3) for a strong air force, and (4) for development of the country's capacity to provide adequate munitions.

As hon. members know, South Africa has followed the same course. In this connection may I quote from the observations of Mr. Pirow, Minister of National Defence in that country. A press dispatch states:

> Pirow emphasized that South Africa was not preparing for war in the near future but merely taking elementary precautions "which every nation must bear in mind if it values freedom and independence."
>
> He also disclosed to parliament that his technical department was exploring the possibility of manufacturing in South Africa various military necessities hitherto imported. . . . A survey is also being made Pirow announced of industrial possibilities for war purposes which he said would ensure supply of the necessary stores without dislocating civil requirements and without profiteering.

I now come to that section of my remarks dealing with the estimates. I suggest, first, it is very regrettable indeed that unanimity of opinion in Canada seems to be impossible with reference to a question as non contentious as the requirements of Canadian defence. The most important contribution we can render at this time, when shadows of impending disaster seem to be hovering so darkly over a doubt-torn and tempest-tossed world is, so far as possible, to resist all suggestions of partisan controversy, and to respect the heartfelt opinions and profound convictions of those who may differ from the defence policies of the government of the day. It is not for us at this time to say that those who are opposed to us are of necessity wrong, but we should endeavour to prove that what we are trying to do is the right thing and in the interest of the nation.

While we adopt the attitude of not being too critical of one another, we on this side of the house are convinced that the policy presented at this time by the present administration is one which, by reason of its studied moderation and its avoidance of and severance from any extraneous commitments, should commend itself to the free and unfettered judgment of the Canadian people.

Some may criticize us as pursuing a purely national policy; some may say that we are evading our empire responsibilities. May I say just a personal word in that connection. I have the greatest veneration for the contribution that has been made by the British Empire, especially in recent years, toward the preservation of the peace of the world. When I think of the great contribution made by our great empire, I think of Gladstone's great words when he referred to "the noble fabric of the British Empire." I recall the words of the great intellectual statesman Mr. Herbert Asquith, when he referred to the empire as "the greatest and most fruitful experiment that the world has ever seen in the cooperative union of free and self-governing communities."

I recall the words of Lord Rosebery when he referred to the empire "as the noblest example yet known of free, just and adaptable government." I recall the words of a great Canadian Doctor Macdonald, once of the Toronto Globe, who said:

> It would indeed be a calamity beyond compare were that world empire broken and its dismembered fragments scattered abroad.

I recall the words of Burke who said: "Ties of the empire are light as air but strong as links of iron."

Yet, sir, our duty is to the dominion and the Canadian people; this defence policy is a Canadian defence policy for the direct defence of our Canadian shores and our Canadian homes.

Finally, may I say that with great veneration for empire idealism we in Canada to-day are looking to the future of this great dominion of ours, preserving so far as we can the unity of our people, with reference to all policies. In the great words of Sir George Foster, quoting Rudyard Kipling, "We are daughter in our mother's house, and mistress in our own."

While some hon. members may call to their support the Monroe doctrine of the southland and others may look for support to the forces of empire in other directions without doing anything to bear our own burden, may I conclude with the words used by Sir George W. Ross in Toronto thirty years ago:

> Oh! This may love the southland,
> And this may cross the sea
> But this Land is our Land
> And Canada for me.

Mr. A. H. MITCHELL (Medicine Hat): Mr. Speaker, speaking to this motion of want of confidence in the government, I must say at the outset that I am not in full agreement with it. I have not confidence in some of the policies of this government; its financial policy and its unemployment policy are examples. But I do agree with the defence policy of this government, and I wish now through you, sir, to compliment the right hon. the Prime Minister (Mr. Mackenzie King), the hon. Minister of Justice (Mr. Lapointe), and the hon. Minister of National Defence (Mr. Mackenzie) upon giving to the house a clear and what I believe to be a true statement of the national and international situations as they see them. I have listened to them on each occasion they have spoken on this subject, and I very much appreciate the statements they have made from time to time.

The amendment which was moved to the motion for supply does not state that these defence estimates are to appropriate money for defence at the expense of social security. Although the amendment infers this to be true, it does not say so. Accordingly it leaves the way wide open for myself and for those around me who wish to do so to continue their struggle for social security without in any way interfering with our desire for national safety in times like these.

I think it is very timely just at this stage for me to point out on behalf of my colleagues and myself how much easier apparently it is to finance war than to finance peace. That was true in the last war. There was a condition of emergency which came upon us overnight, and that emergency was financed to the last dollar. But peace, Mr. Speaker, and the emergencies arising out of conditions of peace—these apparently are very difficult to finance. That is one of the paradoxes of this age, and one of the grave indictments of our present economic system.

This is a very practical world in which we live, and as a practical man I do not hesitate to suggest to this House of Commons that the ultimate security of nations does not lie in armaments, as was demonstrated by the last war. Security, in the well known language of the Oxford Group, lies in God control, God controlled individuals, God controlled homes, industries and nations, and may I say to my friends of the Cooperative Commonwealth Federation and to socialists everywhere and other reformers, that the same thing is true of all our suggested systems. However, the ideal state of affairs that men envision is not here; we are not yet living in times like those. Around us everywhere it is a fact that Canada is not providing adequately, to use the language of the amendment, for "social security of all sections of the Canadian people."

It is also a fact that the nations are rearming on every hand; that millions of dollars and millions of pounds and millions of various other moneys are being voted and appropriated in every country for armaments, and that millions of men are training at this time for war. No matter how idealistic we may be, we cannot hide the fact that what I have just said is true, no more than we can escape the fact that every last one of the leaders of all these arming countries proclaims loudly now and again that the armament campaign which is going on in his country is not intended for offensive purposes, that it is only for defence. I wonder if that might not cause some of us to stop and see whether Canada's danger and the world danger to-day is not only international but intra-national. I wonder if the attacks which we fear are altogether external attacks. I wonder if there is not perhaps a force at work internally, not only in Europe but in America as well, including Canada, for which we must be prepared, and of which we have every reason to have grave fear. That, Mr. Speaker, is not necessarily a bogeyman. So far as the invader coming across the ocean to Canada is concerned, goodness knows why they would come to Canada to attack our shores. That, as the hon. member for Vancouver North (Mr. MacNeil) has suggested, may very easily be a bogeyman. But if the danger is more local than that, if it exists within our own nation and not outside our nation altogether, then I believe that all possible steps ought to be and must be taken to give Canada at least an ordinary fighting chance to protect herself. In saying that, I feel that I am doing only what is my duty, and in doing so I am not giving the government blanket approval in regard to all its policies. I feel now, although it might better come upon the discussion of the defence estimates themselves, like describing to the house the pitiful equipment and the terrible uniforms and materials that our men are expected to use in some of the armouries west of the great lakes. However, I might better wait for the discussion of the estimates.

I conclude with the thought with which I started, that we are living in a world where there is actual danger, and while certain ideals may be very desirable, and will eventually become realities, yet the real and present fact is that grave danger confronts us, not alone externally, but internally.

Mr. MAXIME RAYMOND (Beauharnois-Laprairie) (Translation): Mr. Speaker, I think that the question raised by the hon. member for Vancouver North (Mr. MacNeil) when the Minister of National Defence (Mr. Mackenzie) was about to ask for the appropriations which he deems necessary for his department, is of the utmost importance, first of all on account of the increase of these estimates over last year, due to war preparations in Europe and following the rather ill-timed statements of some foreign or semi-foreign individuals, some of whom have no right to interfere in our political discussions and for whom past experience should have been a lesson.

I wish to avail myself of this opportunity briefly to state my views and those of the people I represent on this question of national defence, and I shall do it, to use the expression of the Minister of Justice (Mr. Lapointe) "with a feeling of doing as my conscience bids me."

During the last few months we have had the visit of imperialist pilgrims—that is how they were called by the Minister of National Defence—who came here to show us our duty. We were able to read out the suggestions that were made by outstanding men in British politics, when some of them told us how many military aircraft we should have and others warned us that at the coming imperial conference the dominions would be called to decide as to their partaking in the defence of the empire. We have also read suggestive articles both in the British and Canadian press, and about war scares in Europe and to crown it all we now see that the estimates for military purposes are being substantially increased. You will understand, Mr. Speaker, that we have reason to wonder whither we are going.

In justice to the right hon. the Prime Minister (Mr. Mackenzie King) I wish to recall right now the firm view which he took on September 29 last, when speaking at Geneva, before the Assembly of the League of Nations, he thus asserted our sovereign status:

> We will not necessarily become involved in any war into which other parts of the British Empire may enter, simply because we are part of the British Empire.

And further:

> Any decision on the part of Canada to participate in war will have to be taken by the parliament or people of Canada.

Speaking right here in this house on January 25 last, he stated:

> That, on questions of defence or foreign policy Canada's attitude shall be guided by its own interest.

These are statements of principles with which I am fully in accord. They differ absolutely from the old formula according to which Canada was necessarily at war when England was at war.

However, there are facts which we cannot ignore, and it is these facts about which we are concerned and which require some explanations from the government.

This year, the estimates amount to about $34,000,000 compared to about $20,000,000 last year. Why this increase?

The right hon. the Prime Minister, in answer to the hon. member for Winnipeg North Centre (Mr. Woodsworth) said:

> As far as the estimates presented to parliament at this session are concerned, any increase placed there has been only and solely because of what the government believe to be necessary for the defence of Canada and of Canada alone. The estimates have not been framed with any thought of participation in European wars.

That statement was repeated this evening by the hon. Minister of National Defence. Without expressing any doubt as to the judgment of the government, it seems to me that some further explanations are called for.

Defence of Canada! against whom and against what?

Where lies this sudden threat which requires such a considerable expenditure for defence purposes? Abroad or at home? Let us consider the facts. The defence estimates, including those for air services, amounted, last year, to about $20,000,000, after the last appropriations were voted on June 22, 1936.

I have every good reason to believe that the Minister of National Defence, advised undoubtedly by his military experts, had then asked the house the necessary appropriations to maintain the efficient defence of Canada and that nothing had been neglected. Then, barely seven months after, he comes here and asks for an increase of $14,000,000. What did happen during this short period to justify such a substantial increase, apart from the visit of Lord Elibank, following the warning of Sir Samuel Hoare?

Our boundaries are the same. Our neighbours are the same and are just as peaceful as they were. Our geographical position has not changed and we are still separated from Europe and Asia by oceans, that mean almost an absolute security. We have no enemies that we know of. Moreover, the friction that existed by reason of the sanctions against Italy has disappeared since these sanctions have been removed.

Did the conditions in Europe grow worse? There is not any more talk about war than there was last June, when the estimates were voted; as a matter of fact, there is less talk

about it since the Italo-Ethiopian conflict is over. At any rate, our frontiers are not in Europe.

Then where did this danger of aggression from outside spring up since the end of June, 1936, that compels the Minister of National Defence to come up before parliament and ask such a substantial increase in his estimates, being a further charge for the Minister of Finance (Mr. Dunning) who still needs every dollar for our most essential expenditures. This is the question I am putting to the Minister of National Defence, and I do not intend to prejudice his answer. However, you will admit that there are coincidences and facts that are liable to throw some anxiety in the minds of those who believe in the defence of Canada within the limits of her needs and resources, but who are against any military preparations for other purposes.

Will the menace come from within? Some people say so. On January 14 last, L'Action Catholique reminded the governments that their duty was to preserve order in this country, be it even by force, and it drew attention to possible troubles. We all know what is happening in Russia, in Spain and even among our neighbours, the United States. Quite recently, speaking about the strike in the General Motors' plants, Father Coughlin pointed out the influence of communism in that strike, and he brought to the attention of the authorities, before it might be too late, the threat of a revolution. During that strike, the civil and judicial authorities were flouted.

In our own country, in Canada, volunteers have sailed in order to enlist in the red army of Spain. This, I admit, does not give me any sorrow; it will rid us of these undesirable people, provided they do not return here.

Some hon. MEMBERS: Hear, hear!

Mr. RAYMOND: But it shows that there are some of them in our country. Besides, well informed people tell us that communism is a real threat which must be faced. This being so, let us guard against unpreparedness. If, in order to face such a contingency, an increase in our forces is necessary, let us not hesitate to bring it about, for we need an adequate organization to maintain order within our country and to protect our institutions. Such is the essential duty of the state.

We must guard, protect and defend ourselves not, as I take it, against any invading army, but against the overrunning of our country by these professional agitators, these fomenters of trouble who are at work elsewhere, and who have already begun to make their presence felt here.

In this connection, I was recently reading a pamphlet in which the federal authorities were criticized for having done nothing to thwart communism, and where they were being rebuked for having repealed section 98 of the Criminal Code. I do not doubt the good faith of those who write such things, but if they really wish to educate the public, let them first read or study the act by which section 98 of the Criminal Code was repealed. They will find that by the same act section 133 of the Criminal Code was amended, through the addition of paragraph 4, which goes further in its import than section 98; that is why the Right Hon. Senator Meighen said in the Senate:

> This bill repeals section 98, it is true, but in another section it restores section 98, or the full effect of it, after the repeal.

Then, on the subject of unlawful association, he said:

> Under this bill, if it passes, and under the law as it then will be, nobody can be a member of such an association, for such membership is sedition and sedition at common law is forbidden. So there is no change there. The law said there was a presumption a man was a member, not if he attended a public meeting, but if he attended a meeting of the association. If it was not a member it was not very hard for him to discharge the onus. All he had to do was to swear he was not a member. That is no great hardship. That presumption in similar cases runs through the Code almost from cover to cover. But to be a member of such an association will be an offence after this bill passes. (Debates of the Senate, session of 1936, p. 619.)

And Hon. Senator Côté, appointed by the Bennett government, gave a similar opinion about paragraph 4 added to section 133 of the Criminal Code.

> In this section 4 is involved a point of law which is interesting not only to lawyers, but to every citizen who concerns himself with matters affecting the safety of the state. Under this amendment it will be easier to obtain a conviction, for the crown will not have to establish that the actions of the accused amount to an intention to bring about governmental changes by force. If the accused is a person who "publishes, or circulates any writing, printing or document in which it is advocated, or who teaches or advocates the use, without the authority of law, or force, as means of accomplishing any governmental change within Canada," he shall be presumed guilty. I am perfectly satisfied with this amendment. It goes farther than section 98 and justifies me in voting for the repeal of that section. (Debates of the Senate, session of 1936, page 622.)

I may now add that it devolves upon the attorney general in each province to prosecute those who transgress this law.

Whether the threat may come from the outside or arise within our own borders, I frankly admit, Mr. Speaker, that I find it hard to get a clear idea as to the extent or the limit of our requirements as regards national defence. We do not know what the future has in store for us, although we try to foresee it. Besides, we scarcely know about the present. And unforeseen events may always alter the most reasonable expectations.

The minister has given us some explanations,—and I believe in his sincerity—but they are open to question. He told us, in brief, that on the advice of his experts he asks but the minimum that is required to ensure our security. A perusal of the debates that have taken place in this house, will show that in the past cases have occurred where the minister of militia, after bringing down his estimates, had to alter them, in spite of the advice of his experts. As an instance, I may refer to the House of Commons debates, session of 1922, volume 2, page 1135. Here is what the Minister of Militia, Hon. Mr. Graham, had to say in submitting his estimates:

> The militia estimates, I might say, have been pared down to a point as low as is compatible with national safety; in fact, I have been criticized quite severely for some of the reductions.

Nevertheless, in spite of that statement by the minister and notwithstanding the opinion of military experts, a few Liberal members, and among them our Minister of Pensions and National Health (Mr. Power), our Secretary of State (Mr. Rinfret), availing themselves of their right to question the need of these estimates for the purpose of ensuring our national security, did not take the same view as the then Minister of Militia upon different items, especially the vote for $1,400,000 for "annual drill." And Mr. Power, who is now the Minister of Pensions and National Health, moved, seconded by Mr. Lanctôt, member for Laprairie-Napierville, an amendment calling for the reduction of this vote by $1,100,000 because they could not see the necessity of it. (House of Commons Debates, session of 1922, pages 1173-1174).

It is true that the amendment was negatived, but the amendment to the amendment brought by the Hon. Mr. Lapointe, then Minister of Marine, with a view to reducing the vote by $400,000 was agreed to (Debates of the House of Commons, session of 1922, at page 1578). On that occasion, the Minister of Militia said:

> It is the desire of the government, of course, to meet the wishes of parliament, for parliament is supreme.

In fact, reductions totalling $700,000 were made in the militia estimates amounting approximately to $10,000,000 brought down by the Minister of Militia.

Now, if you recall the words of the Minister of Militia which I quoted a moment ago on the absolute necessity of these minimum expenditures to ensure national security, you will realize that predictions made by experts do not always come true, as despite their prophecies, no catastrophe has befallen us after 1922 and our country has enjoyed complete security, notwithstanding the reduction of $700,000 made in the militia estimates then proposed.

This shows that bona fide opinions may differ on a question of appreciation, and that it may be advisable to revise the proposed figures when the various items are considered, without in any way affecting the security of this country.

Now, Mr. Speaker, I would like to emphasize my views on these defence estimates. I cannot vote in favour of the amendment moved by the hon. member for Vancouver North, be it for the sole reason that he wants this house to pass sentence before having heard the evidence. But I am not prepared to vote for those increased expenditures, unless it is clearly shown to me that they are warranted.

We are told that these estimates are necessary for the defence of Canada, and for Canada alone, and we are asked to have confidence in the government. I am quite willing to do so, but we should not be asked to vote blindly. Too many happenings of late have aroused our attention. Too many people from abroad have taken upon them to advise us. We have heard of national defence estimates amounting to $70,000,000, of 1,000 military planes for Canada, and so forth. Could it be that these present expenditures are but the beginning of the carrying out of a more extensive program? We are fully aware of the purposes of certain advisers from abroad, but we should rather like to know the present and future intentions of the government.

My duty to my electors is to oppose Canada's participation in any war outside of her own territory—the horrors of the last war are still too vivid,—and I will not vote a single dollar increase that will not be spent "wholly and exclusively" for the defence of Canada, and in Canada only.

Since our dominion is now a sovereign state, the obligation rests upon us to see to our own national defence, and we must protect our-

selves against dangers from within and without. For that reason, I am prepared to vote any amount shown to be necessary to make this country safe.

But again, I say that our army, our air force and our navy must be called out only in defence of Canada and solely within her territory.

Mr. LAPOINTE (Translation): Hear, hear.

Mr. RAYMOND (Translation): Interest guides all nations. Our interest tells us not to participate in any foreign war and consequently, not to prepare therefor. Our policy should be essentially a Canadian policy.

Mr. THOMAS REID (New Westminster): I listened with a great deal of attention this afternoon to the speech made by the hon. member for Vancouver North (Mr. MacNeil) when he introduced this want of confidence motion as the house was about to go into committee of supply on the estimates for defence, and before proceeding with what I have to say on the motion I think it incumbent upon me to make a few remarks with regard to some of the statements made by the hon. gentleman. Let me say at the outset that if any opinion goes abroad in this country after to-day to the effect that Canada is preparing for war, it will have been started by the Cooperative Commonwealth Federation group across the floor, one member of whom, the hon. member for Vancouver North, this afternoon, on beginning to speak, said it appeared that Canada was now preparing for war. This was the first intimation on the part of any hon. member that the defence estimates about to be introduced represented the beginning of Canada's participation in any war preparations.

As I say, I followed very closely the remarks of the hon. gentleman, and before I go further there are one or two other matters to which I wish also to refer. The hon. member spoke about the pre-war mental attitude. Well, if there is any pre-war mental attitude, it certainly is not very manifest in this country. Looking around the world and seeing what is happening in various countries, one cannot help realizing that this is the last country in the world where one would expect to find that spirit. The hon. member spoke also about the rush of armaments throughout the world, suggesting that perhaps it was the beginning of the destruction of democracy. Need I point out that democracy's greatest bulwark is Great Britain? Linked with the dominions and the colonies she is the greatest factor in the world to-day in the safeguarding of democracy. But what is Great Britain doing along these lines? For quite a number of years she went about preaching peace and suddenly woke up to the fact that she was in great and grave danger, and in what is now taking place there is evidence of the fact that Great Britain is alive to the mistakes of the past years. It is said on reliable authority that at Christmas she gave every one of some forty million citizens a gas mask, free. Evidently she is alive to the danger from the air through poison gas.

The question of defence, Mr. Speaker, like that of neutrality, is different from the question of Canada's participation in any European war or the question of joining with or assisting Great Britain in any conflict in which she may participate either as aggressor or in self-defence. It is easy to understand the wide divergence of views with regard to the sending of troops across the seas to take part in conflicts in regard to which we in Canada have never been consulted and with which we may be or may believe ourselves to be remotely concerned. But the question of military equipment becomes an entirely different one when we come to the simple question of the defence of our own shore and country. Generally speaking, it is safe to say that there might be numbers of Canadians who would be hesitant about Canada participating in wars abroad, but who would never for a moment hesitate when it came to a question of defending Canada against attack. I noticed in the press, only this afternoon, a statement by the seconder of the resolution when, speaking at a gathering, he said he had been educating a boy of his not to participate in any foreign wars, telling him that it would be better for him to become a convict than a soldier. But I noted in the account that it was stated the boy said, "With the exception of the defence of Canada." And that question is the great one confronting this country.

It is hardly necessary to take up the time of the house in explaining what the various countries of the world are doing at the present moment? This was ably done this afternoon by the Minister of National Defence (Mr. Mackenzie), but I am going to touch for one moment on the great armament race which is taking place, and to point out that what we are doing in Canada is comparatively speaking nothing. Our proposed expenditure this year is something like one-half of one per cent of our total budget, as compared with budgets in countries like Japan where it is 46 per cent, Russia where it is 20 per cent, Jugoslavia where it is 21 per cent, and so on. Great Britain has likewise embarked upon

a large program; her armaments budget for this year is close to 20 per cent of the total budget for the nation. And need I point out that we are no longer dealing with nations as nations? Contrast the statements recently made by Premier Mussolini of Italy and Herr Goebbels of Germany with that to which we have listened, made by the hon. member for Winnipeg North Centre, the leader of the Cooperative Commonwealth Federation (Mr. Woodsworth). Mussolini said:

> I hold out a great olive branch to the world. This olive branch springs from an immense forest of eight million bayonets, well sharpened and thrust from intrepid young hearts.

There is Italy's olive branch. Contrast it with the statement of the hon. member for Winnipeg North Centre, who I think should be sent over there as an emissary to see if he could do anything with that dictator.

And echoing through the world we hear the same sentiment. Herr Goebbels said:

> We took precautions on the principle that the League of Nations is good, but air squadrons and army corps are still better.

So one could go from one nation to another telling what each is doing, arming and re-arming in a feverish, mad rush.

But we come to the question of defence. That is the question confronting this house, the defence of our own land. I realize that it is a serious question, one in regard to which there are many schools of thought. The hon. member for Vancouver North, who introduced the resolution, referred, I think correctly, to the impossibility of effectively arming ourselves against modern warlike nations. I do not think there is an hon. member who seriously believes that eleven million people could adequately arm to protect themselves to-day against any of the major nations of the world who are now armed to the teeth. But may I say to the hon. member that I was painfully surprised by his remarks in which he seemed to express a little slurring sarcasm as to the efficiency of British professional troops. It will be remembered that at the outbreak of the great war, no one would care to think of what might have happened, but for that little band of professional troops which went over to France and stemmed the tide of the great German rush.

Mr. MacNEIL: May I remind the hon. member that I referred only to the general staff.

Mr. REID: Well, the hon. member makes that explanation now but he did not make it clear in his speech this afternoon, and that is what I am dealing with.

Then the hon. member said something to the effect that if Canada did get into trouble, perhaps the United States or even Great Britain would not stand by and see us put to the wall; but later he denied that it was a sponging policy. I cannot quite understand what he meant, because if we are going to depend forever upon the might of Great Britain and the United States, it certainly is a sponging policy and cannot be anything else.

We come, then, to the courses open to Canada. The first is that we can do nothing, nothing at all. Now that is very simple. Second, we could cooperate within the empire. But I know there are those in this country who will have no truck or trade with the old country. May I say this in kindness to the leader of the Cooperative Commonwealth Federation group; I have sat for six years in this house and never heard him say one kindly word regarding Great Britain. Of course I may have missed it. Then a third course proposed is to separate entirely from the empire, and that course involves one of two things, namely, make alliances, or arm. Those are the three courses which I see open to this country.

That brings us to the question of neutrality, which was briefly touched upon by the Minister of National Defence this afternoon, and which I am going to take a little time to elaborate. First, I should like to draw this fact to the attention of the hon. member for Winnipeg North Centre, the leader of the group. We are dealing with realities; we are not dealing with theories. I could liken him to a labour leader in the old country who later became Prime Minister, Mr. Ramsay MacDonald, who talked about peace, peace, and who at one time almost gave away Singapore. Had it not been for the Lords of the British Admiralty, that naval base, so much needed to-day, would have been given away by the then Labour Prime Minister of Great Britain. He kept talking peace, as the hon. member for Winnipeg North Centre has talked since I came into the house. It seems to me to be time partly wasted; it is on the European continent these things should be preached, not here, because we are a peaceable nation. Ramsay MacDonald talked peace in Great Britain, yes, and started to practise it while he was Prime Minister. But did any country in the world follow his lead? No, not one. In fact, the reverse was the case. Almost every country was quietly and secretly arming, until last year it was brought forcibly home to the British people how dangerous and futile that policy had been. Whether we like it or not, for the first time in the history of

the British nation she had to take backwater and could not give world leadership when that leadership was required, as instanced during the time of the Ethiopian trouble. I say again, if anything happened to the British Empire, heaven help democracy! It surprises me that I have not heard one word of commendation from that group about the great struggle for democracy and the bulwark that Great Britain has been. I think some meed of praise is due Britain for that. But let us look seriously at Great Britain for a moment. Will anyone seriously dispute the statement that Great Britain has been and still is the greatest factor in the world for peace, or the greatest bulwark of democracy in the world? Would any hon. member seriously dispute that statement? I think not. Consider, then, her position to-day and just what she is doing in the way of war preparation. Among other things, as I have pointed out, she is presenting every citizen with a gas mask, and her latest program is running into a cost of billions of dollars.

That gives me a thought, Mr. Speaker. The other day I was just wondering what the two great labour leaders of Great Britain, Ramsay MacDonald and Philip Snowden, who is to-day in the House of Lords, would think now in view of the fact that in 1931 they went around the country preaching ruin if certain economies were not effected. And be it remembered those economies were effected by cutting the rates of unemployment relief, by cutting teachers' salaries, and by reducing other social services. I wonder what they would think now that this latest program has been commenced, because it certainly makes their total budget of 1931 look very small indeed. As a rule, the British people are lovers of peace, and during the years of Arthur Henderson and Ramsay MacDonald Great Britain went further than any other nation in an effort to induce all other countries to beat their swords into ploughshares. But the British people realize now that they went too far in that direction. Not only did it do no good at all; it was a dangerous experiment. It was laudable, I admit, to endeavour to practise the principles which were laid down by Ramsay MacDonald when he was Prime Minister, but theorist as he was, he failed to discern that he was dealing not with theories but with realities.

I am inclined to think the leader of the Cooperative Commonwealth Federation party in this house is somewhat that same type of theorist. It could be said also, perhaps, that the Cooperative Commonwealth Federation party stands in almost the same position in Canada as the party formerly headed by Ramsay MacDonald occupies in Great Britain. It is well known that Ramsay MacDonald ruined the socialist cause in Great Britain for many, many years to come. That is what the hon. member for Winnipeg North Centre seems to have done for his party in Canada. He endeavoured to form a new political group in this country; he attempted to join farmers and labour under one political head, and designated the party the Cooperative Commonwealth Federation, with the theoretical doctrine of state socialism for labour on the one hand and private ownership of land for the farmers on the other. That was a beautiful theory, but just the same it was a theory which was doomed to failure from the start. Those who have given any thought at all to the subject know full well that state ownership was abandoned long ago as an obsolete doctrine and a socialist idea, and if the hon. member for Winnipeg North Centre had been a little more practical he never would have attempted such a political union in this country. It was unfortunate for his party, and like Ramsay MacDonald he must accept some responsibility for the unfortunate experiment. It is little wonder that in British Columbia the party is split in two.

Now, Mr. Speaker, for a few moments I should like to deal with the question of neutrality, but I want to deal with it in a practical way in order to show this house how real the question is and just how it will and does affect Canada. To maintain neutrality Canada must become a full-fledged nation supporting international law and able to play its part. But we heard nothing like that from the hon. member for Winnipeg North Centre when he spoke of neutrality. He just waved his arms and said "neutrality" as if there were nothing to it. If we in Canada are going to have neutrality, we must be able to enforce international law and to play our part as a full-fledged nation. But when we endeavour to make a beginning in playing our part as a full-fledged nation; when we endeavour to put ourselves in a position to respect and enforce international law, we are met by a want of confidence motion introduced by the hon. member for Vancouver North (Mr. MacNeil). I should like to quote Lord Birkenhead on international law, but I do not intend to quote very extensively because the lawyers in this house might be tempted to object if I did so. At page 325 of his book on International Law, Lord Birkenhead says that when a neutral government does not or cannot expel an enemy or an enemy ship, the other belligerent is justified in taking complete charge of the situa-

tion, and according to the Hague Convention of 1907 failure to enforce neutrality is a breach of neutrality. Then, with respect to international law, Lord Birkenhead says further, that a country guilty of a breach of neutrality must pay damages, et cetera.

According to international law which is in effect to-day, no belligerent ship may remain in any neutral port longer than twenty-four hours. Just consider for a moment what would happen if, say the United States and Japan were at war and a Japanese submarine or battleship endeavoured to enter or to remain in one of our Pacific ports. If we did not take action, we certainly would be in trouble. I am going to visualize for a moment what might take place as far as the Pacific coast of British Columbia is concerned. The coast line of British Columbia is some 750 miles in length, and in that distance there are numerous islands and bays. There would be nothing to hinder the Japanese, we shall say for the sake of argument, from hiding large quantities of oil and gasoline on one of these islands. Then, in case of war, a Japanese submarine or some other Japanese ship could, if required refuel at that point. What would be our position if we took no action in connection with that ship while it was in our territory? Do you think we could just say "We are neutral and will do nothing?" Would that be the end of it? I do not think so, nor would it.

I am going to cite actual cases. One of them may be rather ancient, but one is a very recent case. I do so in order to draw to the attention of the house just what could and would happen in the event of our neglect or inability to chase out one of the belligerents. The first case I have in mind is that of Alabama, which is a historical case. Great Britain allowed that ship to escape. The United States filed a claim against Great Britain for $15,000,000, part of which has been paid, and I understand the rest would have been paid if it had been possible to locate the owners of goods which were damaged. Then, during the Russo-Japanese war of 1905, a Russian destroyer took refuge in a Chinese port. China was a neutral country and could not either order the destroyer out or put it out. Well, the Japanese just went in there and blew up the ship. We all remember the case of the German cruiser Dresden during the last war. Oh, yes, the cruiser was a long way from home, but still this happened out in the Pacific. The Dresden escaped after the battle of the Falkland islands. The British warships hunted the Dresden for three months and finally located it in Chilean territory at Juan Fernandez island. Rather than surrender the ship the commander had the crew taken off and then he blew up and sank the cruiser.

I know there are some who say that war between the United States and Japan is unthinkable. Pray heaven it never comes! But if one believes the statements we have heard in this house recently that preparation for war brings war, there is then certainly a grave possibility of war between those two nations, because they are arming at an unprecedented rate. If war ever takes place, let me warn the house and the country that we cannot stay out of it. It is no idle boast of the Japanese on our coast that if war ever occurs, she intends to use the territory of British Columbia as a base for operations. Whether we like it or not, we are not going to escape the responsibility of lack of enforcement of neutrality in the event of hostilities between two other nations. If American trade were interfered with on our Pacific coast and if it were known that a Japanese submarine or destroyer were harboured in any of our ports, the United States would not hesitate for a moment, and rightly so, to come in and take complete charge of the territory.

Yet there are those who say that our remaining neutral does not imperil us. I say again to the hon. member for Vancouver North, when he speaks of being neutral, to look at the matter from a practical viewpoint, from the standpoint of realities. If he does he will come to the viewpoint to which I have come, that we cannot remain neutral unless we are prepared to do more not only toward chasing out an enemy ship but toward protecting our own.

I had not intended speaking as long as this, but I thought it incumbent upon me to rise in my place and say that I for one could not and would not support the want of confidence motion, believing as I do that it is the duty of a nation to defend herself. I realize the truth of what the hon. member said, that perhaps more should be done for social purposes and by way of alleviating distress. I am all for this, but I agree with Adam Smith who many years ago said that defence is greater than opulence. In this country opulence means trade and commerce. If we are going to take our part as a nation, it is high time we began looking after our own defence.

Mr. R. A. PELLETIER (Peace River): Mr. Speaker, I was struck by the impas-

sioned speech of the Minister of National Defence (Mr. Mackenzie) as it was delivered both before and after recess. It was almost as forceful as some of his speeches I read regarding proposals for credit and currency in terms of public need. However, since he made those speeches he has become Minister of National Defence, and his slogan seems to have been altered to guns and battleships, in terms of military demand.

He spoke about lack of consistency in the amendment, as well he should; he himself is so consistent that he must deplore inconsistency in anyone else. I would ask hon. members to note how strikingly similar both slogans are; both demand something for someone. Of course, it is not the same "someone," but one must remember that the minister is not now occupying the same position as he did at another time. This may account for the slight change of wording.

However, at this session of parliament he is about to ask for a vote of some millions of dollars to be expended, as he explains, for national defence purposes. May I state clearly at this point that this afternoon the minister stated that this is not in any way to be considered as helping in, or part of the British Empire defence plan. A short time ago the hon. member for New Westminster (Mr. Reid) stated that we should speak about the glorious part Great Britain has taken in order to preserve world peace. I do not for one moment doubt that all the glory coming to her should be given her. She should be given credit for it, but in view of the declaration of policy of the Minister of National Defence, I fail to see that in these defence estimates we are called upon to make any decision on that particular point. Apparently he does not wish to associate himself with any empire defence plan. On the other hand, he does not like to prepare for war, and would have us believe that these expenditures are merely for the defence of Canada, and of Canada alone.

In view of the fact that last year we spent millions of dollars for the same purpose and that this year we are called upon to spend more millions of dollars, it seems to me the question of defence is one which should be defined. I wonder where the limit is going to be, so far as defence is concerned. That is one thing the minister has not told us. For example, he told us about the efficiency of his department. His department had pointed out to him what was needed in Canada. They wanted some battle ships, some anti-aircraft guns, new equipment, and so on. I find in a return tabled at this session that some

$45,807,928 was spent strictly for military requirements since 1920. Yet we find the Minister of National Defence telling the house that we have nothing by way of defence in Canada. He tells us we have not a gun worth while keeping; he says we have no machine guns, no anti-aircraft guns, despite an expenditure of over $45,000,000. I am wondering where the money went.

This afternoon he pointed out the necessity for the defence of Canada, should anyone attack us. But, like the Minister of Justice (Mr. Lapointe), he failed to mention who the supposed enemy might be. The Minister of Justice at least said that there were three or four dogs, allegedly mad, running around Europe. They have not yet snarled at the Minister of Justice, because he did not name them. Undoubtedly a local disturbance of such a nature as to demand all the hearing powers of the Minister of National Defence must surround him, and prevent him from hearing the same noises as does the Minister of Justice. We are told by the Minister of National Defence that these are armaments for defence purposes. What do other nations say? Germany is arming, and Hitler says:

> It must be thoroughly understood that the lost lands will never be won back by solemn appeals to the good God, nor by pious hopes in any league of nations, but only by force of arms.

Italy is also arming, and Mussolini says:

> We reject the absurdity of eternal peace, which is foreign to our creed and our temperament. We must be strong; we must be always stronger; we must be so strong that we can face any eventuality.

Russia is also arming, and Stalin says:

> The trend towards disarmament is openly being replaced by a trend toward arming and rearming. The people of the U.S.S.R. would fight to the very death to preserve the gains of the revolution.

France, too, is arming. Premier Leon Blum says:

> The Europe of 1914 has been reconstituted not only in its material but in its moral elements. Faith in peace is shaken and dislocated. The final catastrophe seems to be preferred to the worry.

Great Britain is arming, too. My point is that exactly the same situation prevailed in the years prior to the last war. This is something which should cause alarm. I have in my hand the speeches delivered in the Imperial House of Commons in August, 1914, relative to Great Britain and to European powers. I ask hon. members to note how similar are the pronouncements of the Minister of National Defence and the Minister of Justice at this session of parliament, in

these times, to those spoken in 1914 in the British House of Commons. The Secretary of State for Foreign Affairs, Sir Edward Grey, said this:

Last week I stated we were working for peace—

The Minister of National Defence said exactly the same thing to-day. Sir Edward Grey continues:

—not only for this country—

The minister would have some of us believe that it is only for this country.

—but to preserve the peace of Europe. To-day events move so rapidly that it is exceedingly difficult to state with technical accuracy the actual state of affairs.

The Minister of National Defence no doubt realizes that the world is faced with exactly the same eventualities to-day. We have the same pronouncements about the building up of armaments in order to defend the integrity of one's country or to bring about world peace, but let us see what the result has been of all these cries about saving democracy for posterity, fighting in defence of freedom, and so on, because in the final analysis it is results that count.

Apparently a large number of people have been forgotten, and perhaps it is right to forget them because they are dead. They are the eight million people who gave up their lives in the last war. There died in the last war 1,611,014 Germans; 1,427,800 Frenchmen; 2,672,064 Russians; 911,000 Austrians; 807,451 Englishmen; 507,160 Italians. Those were the soldiers who died in the last war. This number does not include many others of other nations who met their deaths in the last war, and all this was done after we had been told by the great statesmen of the world that they were arming in order to keep democracy safe for posterity.

Now let us see how many were wounded in the last war. The number was 20,297,551 soldiers wounded. Even to-day in this Canada of ours we can go about the country and in all parts we find soldiers who are still lying on their beds of agony as a result of the wounds they received in the last war. In addition, there were 9,000,000 war orphans, and 5,000,000 war widows. The total capitalized value of the civilian lives lost has been estimated to be $33,551,276,280, and I give it to the very last dollar because it is so many dollars' worth of civilian lives. The property loss on land was figured at $29,960,000,000; property loss on sea, $6,800,000,000; loss to neutrals, $2,000,000,000, and loss to the world, $337,846,189,667.

The hon. member behind me asks, where does the money come from? I wonder. It is something that cannot be explained by the Minister of Finance (Mr. Dunning) when we require certain moneys for social purposes. It is something that cannot be explained by any of the governments under the present existing financial system. They do not know where the money is to come from for social services, but when it is to be used for purposes of destruction, to snuff out the lives of brother human beings, to build up armaments with which they can fight and kill each other, then there is no difficulty about finding all the money that is necessary, and in destroying all the goods that we could put to better use.

I have no doubt it is quite easy for the Minister of National Defence to make such an impassioned plea as he did to-night, because he is surrounded by many of his colleagues who are honoured and happy to applaud him every once in a while. That gives him a great deal of courage, and undoubtedly pushed him to extremes so far as his oration to-night was concerned. When I saw his colleagues pounding their desks to-night, and saw the minister of National Defence himself pounding his own desk this afternoon, I felt they were pounding upon the hearts of those who are always the losers in any war, and that is the mothers in all countries. They are always the losers, and have been in every war since man first lifted his hand against his brother. Millions of them are now the mothers of spirits whom once they called their sons.

So, I cannot find it within myself to support increased armaments for Canada because I do not believe these armaments are really and truly only for purposes of national defence. The Prime Minister this afternoon—and I think I heard him correctly—denied that any sort of agreement either implied or otherwise existed between any country and Canada in connection with these millions of dollars which Canada is asked to expend on armaments. I would point out, however, that before the last great war broke out, an agreement or at least an understanding existed between the general staffs of Great Britain and Belgium that was not recorded at the time but was eventually found to have been in existence, and when we read statements such as were made by outstanding men like Sir Samuel Hoare recently in England, I cannot see much consistency in the statement of the Minister of National Defence that these armaments are not for empire defence. It is almost impossible to know what the true position is. The govern-

ment persistently refuse to give us their policy. They tell us they do not want to have anything to do with the British Empire, that these moneys are not for empire defence. They have repeated that time and time again. The member for New Westminster (Mr. Reid) feels he can support these estimates because he believes they are not for the purpose of empire defence, but in the next breath he would like to have us contribute something to Great Britain. It is most difficult to know the true position, and until such time as we have a definite statement from the government as to what these armaments are really for, I cannot find myself able to vote for these increased armaments.

Mr. ERNEST BERTRAND (Laurier): Mr. Speaker, this question is very important, first, on account of the amount involved, and second, on account of the principle involved.

If we consider the amount involved, and compare it with what was expended in previous years, it is rather a large amount; but if we compare this amount with what has been voted in countries like the Argentine Republic, Chile, Switzerland or the Irish Free State, it is not a large amount. The South American countries have no more reason to arm than we have. If the Monroe doctrine means anything, they are protected by it just as much as we are. They are further away from Europe and Asia, and yet they spend larger amounts on armaments than we are asked to spend. If the amount is considered in relation to the armaments that we had here, it is not a large amount because we had nothing at all before, as was so well said by the Minister of National Defence (Mr. Mackenzie).

But I feel that the question is rather one of principle, and the principle involved is that of contribution to the future wars of Europe. If national defence meant contribution to the future wars of Europe, then I say undoubtedly I would have to be against national defence. If it meant contribution to European wars, I am sure that the people of my own province would soon ask themselves the question: Is it worth while to stay within the British Empire if we have to go to war because South Africa wants its independence recognized, because Germany wants its colonies back, or for any other reason?

But if we have to defend Canadian territory and if it means only the defence of our territory, I am going to vote heartily for this measure of defence. It is true, in my opinion, that, legally speaking, we are just as independent as we can be. The Statute of Westminster is not, unfortunately, a title that we can take and register in the book of independence as a proprietor would register title to his own property. Perhaps because we have not gained this statute at the price of bloodshed, we do not accord it as much importance as we should. On the other hand, we bear the earmark of a British country; we have the same flag; we have the same king, and if England or some other part of the British Empire were attacked, we would have to defend ourselves. I say gladly that I am ready to stay a long time within the British Empire at the price of defending my own country against any attack. It is true that Canada is further removed than any other part of the empire from any conflict which we to-day can foresee. But the high seas are not so far away nowadays as they were many years ago. True, we cannot argue away the Atlantic or the Pacific ocean, but it must be remembered that Washington is nearer to London than it is to Mexico.

We hear a lot about the Monroe doctrine. Perhaps, Mr. Speaker, I might give this house the benefit of some studies I have made recently with regard to that doctrine. It was formulated in 1823 as a defence against the Holy Alliance, reactionary powers of Europe that wanted to bring the Spanish colonies of South America into submission to Spain. It was directed against England, against France, and against Russia, but it was formulated without any request on the part of the South American colonies. It has been interpreted by the United States in fifty different ways, and its only meaning as far as that nation is concerned is that the United States shall intervene whenever they want to intervene and that they will not intervene if they feel it is in their interests not to do so. Very often its effect has been to stop other countries from interfering with the states of South America, not only from armed intervention but from purchasing land or territory when they wanted to acquire such lands or territories for themselves. We know what happened as far as Texas, New Mexico, upper California and Cuba are concerned. The Monroe doctrine is a doctrine of "no colonization." We are apt to forget that confederation itself was passed as an answer to that doctrine. I have before me a book written by Professor Reddaway, of Cambridge university, and he quotes the words of President Adams, some time in 1827, that "the union must soon include all North America." In 1866, not only the president of the United States but the house of representatives con-

sidered a bill to annex the colonies north of their northern frontier, and Mr. Reddaway says:

These feelings found utterance when, in 1866, the house of representatives considered a bill for the eventual annexation of the continent north of their own borders. They were answered by the British North America Act, which united Canada, Nova Scotia, and New Brunswick into a single dominion. This constituted the sharpest check which the development of the Monroe doctrine had received.

There are numerous quotations similar to this in the book to which I have referred and in another book written in 1897 by a French professor, M. Delarue de Beaumarchais. The South Americans did not like the Monroe doctrine. It is said in Mr. Reddaway's book that they never called for it and they never recognized it. As I said a few minutes ago, the United States have interpreted it to suit their own interests of the moment. With regard to Cuba, Mr. Reddaway states:

The question of Cuba, however, interwoven as it was with the question of slavery, continued to occupy the attention of the United States. The succeeding president, aiming at preventing emancipation by annexing the island, endorsed the Monroe doctrine in his message of 1853.

This is what I want to come to:

Next year—

In 1854.

. . . the ambassadors of the United States to London, Paris and Madrid met at Ostend, and astounded Europe by a manifesto. If Spain refused to sell Cuba to the republic, they declared, all laws divine and human would justify the republic in taking it by force.

Well, I say that this is not a doctrine to protect the neighbours of the United States. Even if we were independent to-day we should have to spend more than we shall spend under the present program of the government. In 1895, war was almost brought about between the United States and Great Britain, by virtue of the Monroe doctrine, in connection with the borders between Guiana and Venezuela. But where the effect of the doctrine clearly showed itself is with relation to Cuba. I am not going to relate the more recent history of Cuba, for I think it is known to everybody, but I suggest it indicates that we should protect ourselves without having too much recourse to the Monroe doctrine. It indicates that if we depend upon the United States for our defence, we must pay for it. In the history of the United States we cannot find anywhere that the American government has sacrificed money and men without receiving due return. We are all thankful for the part the United States took in the great war, and the words of General Pershing when he arrived in France, "Lafayette, we are here," will go down in history. But we must also remember that four or five years afterwards congress said to the allies, and especially to France, "Lafayette, here is the bill." And they are still pressing for it.

So far as my province is concerned, the question is one of national defence, but our opponents in that province are trying to induce the people to believe that national defence means participation. Allow me to quote from a newspaper which is not particularly sympathetic to the Liberals in the province of Quebec; I refer to Le Devoir. I believe the editors of Le Devoir are sincere, but they forget what they wrote in 1914. I find in Le Devoir of August 3, 1914, the editor-in-chief, Mr. Heroux, writing the following words:

On annonce que la Commission du Port et la compagnie du Grand-Tronc font particulièrement surveiller les élévateurs à grain et leur matériel, et que le Commission du Port a demandé au gouvernement d'exercer une surveillance spéciale sur les canaux et les ports. Tout cela est de première nécessité et utile au premier chef au gouvernement canadien, comme la mise en défense de nos côtes et le maintien de la paix intérieure.

Let me translate the principal words: "All that is of the greatest necessity and of vital importance to the Canadian government, and so is the proper defence of our shores and the maintenance of internal peace." But that is not all. Again, on August 3, 1914, Mr. Armand LaVergne made a speech which was reported in Le Devoir: He said:

M. Armand Lavergne, le jeune député nationaliste, que l'on a interrogé sur la participation du Canada à la guerre européenne et sur la rumeur de son départ pour la guerre, a déclaré: "Il n'est pas vrai que je pars pour la guerre car j'ai toujours désapprouvé la participation du Canada aux guerres à l'étranger, que ce soit avec la France ou l'Angleterre. Si les troupes sont mobilisées pour la défense du Canada, j'obéirai aux ordres. Je considère que les Canadiens rendraient un meilleur service à l'Angleterre en protégeant Sydney, Halifax et Québec, plutôt que d'envoyer des troupes se battre en Europe.

Let me translate this again: "If mobilization is ordered for the defence of Canada I shall obey orders. I consider that Canadians will render a greater service to England in protecting Sydney, Halifax and Quebec, than in sending troops to fight in Europe." Well, to protect any of these ports or the port of Vancouver from a raid, we need anti-aircraft guns and boats to sweep the St. Lawrence clear of mines. We cannot defend these towns with water pistols or pea-shooters. On August 5, 1914, Le Devoir said:

Chaque heure rend plus claire la gravité et l'étendue des mesures que nous impose la défense du Canada proprement dit—notre devoir

particulier, où personne ne nous suppléera et pour l'accomplissement duquel nous ne devons rien épargner.

This is important and I want to translate it: "Every moment shows more clearly the gravity and the extensiveness of the measures which the defence of Canada is imposing upon us, which is our duty where anybody may attack us, and for which we shall neglect nothing." I am not going to quote many more, though I could if I wanted to go through the files; but on August 5, 1914, Mr. Armand LaVergne also said:

En face de la situation qui nous est faite, nous devons nous demander, dit M. Lavergne, quels sont nos devoirs? Je considère que nous avons pour premier devoir de défendre notre territoire. Le danger que court l'Angleterre n'est pas dans l'armée autrichienne ni dans la flotte allemande. L'Angleterre peut être affamée dans tous sens et nous devons protéger les ports de Sydney et de Halifax et garder libre la route du Saint-Laurent, afin de pouvoir lui offrir un grenier où elle trouvera ses vivres.

I think this deserves to be translated at length: "Confronting the situation which is facing us we must ask ourselves what our duty is. I consider that our first duty is to defend our territory. The danger to England is not from the Austrian army or the German navy. England will be needing foodstuffs and we must protect our ports of Sydney and Halifax and keep free the St. Lawrence route so that she may have access to our granaries from which to secure her bread."

On August 17, Mr. Heroux of Le Devoir, wrote words that are still more in our favour to-day. He said:

Nous estimons avec la vieille tradition canadienne, que les obligations militaires du Canada se limitent à la défense du territoire: ce devoir, il est absolu et nous devons l'accomplir, quelle que soit l'attitude du gouvernement ontarien. Si nous croyions que notre devoir va au delà, nous dirions encore à nos compatriotes: Accomplissons ce devoir, quoi que fasse le gouvernement. On ne marchande pas dans ce domaine.

I translate: "We feel with the old Canadian tradition that the military obligations of Canada are limited to the national defence of our territory. This duty is absolute, and we must perform it whatever may be the attitude of the Ontario government to the school question. If we thought our duty went further we would so inform our compatriots. Let us discharge this duty, whatever may be done by the government of Ontario. We must not bargain in this domain." He was referring to the Ontario government of that time. These are words that are true to our best traditions and I am proud to-day to defend these preparations for national defence. I am proud to-day to support these proposals for national defence. I am proud to think that the minister who first proposed in this house the act to set up the Canadian militia was a French-Canadian from Quebec, who sat among the Conservatives.

On July 9, 1914, before the war broke out Mr. Bourassa was in London, and, speaking before the Liberal Colonial Club, he is reported by the newspapers to have said:

Il a déclaré qu'il appartenait à la Grande-Bretagne de garder les mers tandis que le Canada ferait sa part en défendant son territoire. M. Bourassa a très bien résumé la situation canadienne en montrant plusieurs partis occupés à fortifier les liens impérialistes, pendant que les seuls nationalistes travaillaient sur des bases logiques au développement de la défense nationale.

This means: He declared that the safekeeping of the high seas belonged to Great Britain, while Canada would do her share in defending her territory.

Mr. Bourassa summed up the Canadian situation by showing that other political parties were working for the imperial link, while the nationalists were working on a logical basis for the development of national defence.

Again, on February 24, 1917, speaking of Canadian statesmen, he said:

S'ils étaient restés fidèles à la tradition canadienne et aux accords arrêtés avec la Grande-Bretagne, ils se seraient bornés à préparer la défense du territoire canadien.

Which means that if the government had restricted itself to the motives governing all other statements, if it had remained true to Canadian tradition and to accords made with Great Britain, our statesmen would have restricted themselves to providing for the defence of Canadian territory.

Then, another question which is asked in the province of Quebec is: Where is the enemy? This question we can read in many newspapers, including Le Devoir. To-day with the airplane enemies may come from afar. But if there is a man who should not ask this question, it is the ex-director of Le Devoir. In 1914, Mr. Bourassa was in Europe; on July 30 he was in Strassbourg; on July 31 he was in Cologne, and on August 2 he was in Cologne. Coming back to this continent, on August 22 he gave to the newspapers an interview in which he said that he even had to walk to the German frontier, the train service being completely disorganized by the state of war, and that he had to leave his trunks in Germany.

These, Mr. Speaker, are the reasons why I intend to vote with the government and to vote against the motion. As a Canadian speaking the French language, I feel that I would be belittling my country if we did not

make provision to defend ourselves properly. I should be belittling my province and my own race. To conclude, let me quote a word of Mr. Reddaway, written in 1898. Speaking of the southern nations of America, he said:

> The nations of South America would no doubt sacrifice much to gain the United States as an ally. They would be untrue to their Spanish ancestors, on the other hand, if they accepted her protection at the price of any portion of their political independence.

If we rely solely on the Monroe doctrine for our defence, we are absolutely abandoning our independence, or at any rate a great part of it. I am sure that in my own province the leader of the government, whose ancestors suffered for the autonomy of Canada, is going to be looked upon as a true Canadian; the province of Quebec will have faith in him and will not have any trouble in voting for these appropriations.

On motion of Mr. Thorson the debate was adjourned.

On motion of Mr. Mackenzie King the house adjourned at 10.50 p.m.

Tuesday, February 16, 1937

The house met at three o'clock.

RAILWAYS AND SHIPPING

FIRST REPORT OF STANDING COMMITTEE CONCURRED IN

Sir EUGENE FISET (Rimouski) presented the first report of the standing committee on railways and shipping owned, operated and controlled by the government, and moved that the report be concurred in.

Motion agreed to.

BANK OF CANADA

Report made by the Bank of Canada on the financial position of the province of Manitoba.—Mr. Dunning.

BUSINESS OF THE HOUSE

DEBATE ON DEFENCE ESTIMATES—SUSPENSION OF STANDING ORDER 28

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, if the house is to be free to continue the debate on the defence estimates on Thursday, it will be necessary to suspend the rule under which the Speaker leaves the chair without question put. I move, therefore, with the consent of the house:

> That the provision of standing order 28 respecting the committee of supply be suspended for the sittings of Thursday, 18th February, and Friday, 19th February, 1937.

Motion agreed to.

DOMINION-PROVINCIAL RELATIONS

ROYAL COMMISSION TO STUDY TAXATION AND DIVISION OF FINANCIAL POWERS AND RESPONSIBILITIES

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I have already had occasion to intimate to this house that the government has been giving a great deal of thought to the desirability of appointing a commission to study certain aspects of the relationship between the dominion and the provinces. The aspects to which I refer are primarily financial. They include the allocation of sources of revenue, and the financial capacity of the provinces to discharge their responsibilities.

The problem we have had in mind has become acute in the case of the provinces of Manitoba and Saskatchewan. The depression, intensified by drought, has drastically reduced the income of the people of these two provinces and consequently the revenue-raising capacity of their governments, while at the same time it has given rise to steadily mounting relief costs and fixed charges. These two provinces have thus far met their obligations, but we have been advised that it is impossible for them to continue to meet their present burdens with the sources of income available to them. Representations to this effect were made at the financial conference held in Ottawa in December, and the matter was again discussed by the premiers of the respective provinces with the Minister of Finance (Mr. Dunning) in January.

As an outcome of the discussions between the premiers of Manitoba and Saskatchewan and the Minister of Finance, the Bank of Canada was invited by all concerned to make an independent study of the financial position of Manitoba and Saskatchewan, and was asked to present its views at the earliest possible date. The bank's report on Manitoba is now in the hands of the government. The report has been tabled to-day. It expresses the view that Manitoba has imposed taxation on a scale at least as high as that of any other province in Canada, and has restricted expenditures as far as it was possible to go without curtailing the services to an extent which would not have been in the public interest. Certain additional expenditures are now believed to be essential, but the bank is not prepared to say that it is practical to secure the necessary funds by means of further taxation, and there is no nearby prospect of securing revenues to cover the provincial share of relief costs. The report on Saskatchewan

is not yet available, but it is probable that it will disclose difficulties at least as serious as those of Manitoba.

In giving consideration to the situation, as a whole, we have thought it unwise to consider the ability to borrow as the only test which should be applied. If provincial governments find it difficult to discharge the responsibilities which have been placed upon them, and, at the same time, in spite of genuine efforts at economy, to make both ends meet, there will eventually be an end to their ability to finance deficits by additional borrowing. The difficulties of the prairie provinces have been greatly intensified by drought, and the earning power of their people has been affected accordingly. But other sections of the country are not free from problems of a similar character, although they may not be so acute. We have, in short, ample indication of certain fundamental strains and weaknesses arising out of our present allocation of financial powers and governmental responsibilities, and if no attempt is made to remove them, the ill effects will not be confined to the sections where they now appear.

In these circumstances, we propose to appoint a royal commission of inquiry to investigate the whole system of taxation in the dominion; to study the division of financial powers and financial responsibilities between the dominion and the provinces; and to make recommendations as to what should be done to secure a more equitable and practical division of the burden to enable all governments to function more effectively—and, I may add, more independently—within the spheres of their respective jurisdictions.

The commission will be faced with a great volume of work, and will require some time to formulate its recommendations. Its appointment, therefore, cannot represent an immediate solution of the pressing financial problems of Manitoba and Saskatchewan. If these provinces are to continue to discharge their present responsibilities, some immediate financial assistance is necessary. In the circumstances, we believe that the dominion government would be justified in extending temporary aid to them pending the report of the royal commission. A recommendation to that effect will be made to the house when the supplementary estimates are brought down.

Right Hon. R. B. BENNETT (Leader of the Opposition): It is obvious that this is not the moment for a discussion of the intimation given by the Prime Minister (Mr. Mackenzie King), but as a citizen of Alberta I protest with all my might against this discrimination. I protest that the Minister of Finance (Mr. Dunning) permitted that province to default and did not advance it the necessary money shortly after the present provincial administration came into office, whereas he now accords Manitoba and Saskatchewan that assistance which will save them from the course which it was necessary for the province of Alberta to follow.

Hon. CHARLES A. DUNNING (Minister of Finance): I assume, Mr. Speaker, the rules will not permit me to reply.

Mr. BENNETT: Reply as much as you like; it is the fact.

Mr. DUNNING: The charge of discrimination just uttered by the leader of the opposition is a complete surprise to me. The condition to which he refers and which is the occasion of his protest was the condition of one year ago. I shall not now discuss the merits of the situation which then existed; they were discussed in this house under the conditions which then prevailed. May I point out, Mr. Speaker, that another year has passed and that year has seen more widespread drought than western Canada has ever experienced, more especially in the two provinces to which reference was made by the Prime Minister to-day. Further, may I say that the provinces concerned have made and are making every effort to discharge all their responsibilities. On no occasion has there been any effort to coerce the dominion government. There has been at all times a frank and straightforward presentation of their problems. Secondly, the provinces requested the Bank of Canada to look into and verify their statements of their financial position. That report is in the hands of the government at the present time and was tabled to-day. It is not a report containing recommendations but a report dealing with the facts of the situation. It is with that situation that we are attempting to deal to-day. No mention was made in the statement of the Prime Minister regarding Alberta; no approach has been made by the province of Alberta along similar lines. I can say, however, that the province of Alberta has been treated by this government absolutely without discrimination in so far as financial assistance is concerned since this government came into power; and I can go further and say that the government has no intention whatsoever of discriminating against any province in this dominion and is prepared to sit down with any province and discuss its problems and bring forward such solutions as the circumstances may appear to warrant.

I am having to speak thus extemporaneously because it was a great surprise to me that the leader of the opposition should make such an accusation of discrimination under circumstances which are well known to all members of the house and throughout the country.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): According to the Prime Minister, the commission to be appointed is to study the present allocation of the powers of the provinces and the dominion especially as they relate to taxation and generally to financial problems. I should like to ask him whether it is not possible to include in the duties of the commission a study of the responsibility for unemployment and other matters of the kind which are perhaps equally important, if not more so, and which have to a certain extent at least led to the present difficulties of the western provinces. Is it not possible that the scope of the commission might be extended?

Mr. MACKENZIE KING: I believe that on a reading of the statement I have made my hon. friend will find that the scope of the commission with respect to all financial matters is very wide and, I imagine, will be found to embrace to a certain extent at least what he has in mind.

Mr. BENNETT: I assume that a copy of the order in council appointing the commission will be laid on the table when the commission is appointed.

FARMERS' CREDITORS ARRANGEMENT ACT

REDUCTION OF DEBTS BY BOARD OF REVIEW IN SASKATCHEWAN

On the orders of the day:

Mr. J. F. JOHNSTON (Lake Centre): I wish to direct a question to the Minister of Finance (Mr. Dunning) with regard to the percentage of reduction in debts by the board of review now operating in the province of Saskatchewan. It has been reported that under the present board the percentage of reduction is 43·9 as against 27·8 under the previous board. My question is this: will farmers whose cases were reviewed by the previous board be permitted to resubmit them and have them reviewed by the present board?

Hon. CHARLES A. DUNNING (Minister of Finance): There is no provision in the law which would enable such a rehearing as my hon. friend requests. As he and other interested members are aware, the privy council has recently held the particular statute in question to be valid. Until that decision was reached no detailed consideration had been given to the possibility of amendments, and I cannot indicate at this stage whether amendments will or will not be proposed this session.

SUPPLY—NATIONAL DEFENCE

CONTINUATION OF DEBATE ON AMENDMENT TO MOTION OF MINISTER OF FINANCE

The house resumed from Monday February 15, consideration of the motion of Mr. Dunning that the house go into committee of supply, and the proposed amendment thereto of Mr. MacNeil.

Mr. J. T. THORSON (Selkirk): It is the right of every hon. member to criticize any policy that is submitted to this house for its consideration, and that right becomes a duty when the member believes the policy to be contrary to the welfare of Canada. It is for that reason that I take part in this debate.

My mind rebels against the possibility of Canada participating in another war if such participation can be avoided. Our first duty must be the maintenance of peace. We must safeguard as far as possible our own people from the appalling consequences of war. The welfare of Canada must be our supreme concern. I will not go so far as to say that there are no possible circumstances under which Canada should go to war. Some great fundamental principle might demand it, and I have no doubt that if such a contingency should arise, Canada would courageously face the call of duty. But Canada must herself decide whether she will participate in war. She must also decide for herself whether she should prepare for war. It is that question which in my humble opinion is involved in this debate.

I assert, as the right hon. Prime Minister of Canada (Mr. Mackenzie King) has frequently done, the right of this parliament to decide whether and to what extent Canada shall participate if war is declared. I assert her right not to participate if that is her desire. I go even further and assert Canada's right to declare her neutrality if she wishes to do so; for I believe that every question of peace and war in which Canada may be involved is for the Canadian people to decide and for no one else. However, it is not my intention at this time to enter upon a debate on this constitutional point.

Before we embark upon a policy that may lead to Canadian participation in war let us think of the possible consequences in terms of human life and the effect upon

the individuals for whose welfare we are for the time being responsible. Have we forgotten the terrible cost of the last war and the absolute futility of that war? What does the record tell us? Here it is: ten million men killed, twenty million others wounded or disabled, nine million orphans, five million widows, ten million homeless refugees, and $186,000,000,000 wasted. That is only a rough story of the cost in human life and money of the great war, a war that settled absolutely nothing.

Canada played a noble part in that war, but at what an appalling cost, not only to those who were engaged in it but to posterity as well. I have here a statement of the cost to Canada of the last war. It is difficult to obtain exact figures and the figures which I shall cite are subject to some adjustments, but they are, I believe, substantially correct. The statement is as follows:

Sums directly paid out for war purposes, demobilization and adjustment of war claims from the commencement of the war to March 31, 1936	$1,697,352,212
Sums paid out as interest on the war debt for the same period, approximately	1,600,000,000
Sums paid out for war pensions, approximately	685,000,000
Cost of administration of soldiers' civil reestablishment, approximately	228,797,650
Cost of administration of soldier land settlement, approximately	25,403,704
Losses on soldier land settlement, approximately	75,000,000
Cost of care of patients and medical examination of pensioners	45,474,988
	$4,357,028,554

This makes the immense total of over $4,357,000,000. This vast sum includes the major item of direct monetary costs incurred by the nation at large. It does not include the direct or indirect losses occasioned to private individuals by reason of the war or the dislocations caused by the war, nor does it take into account the enormous loss of human life—60,000 young men—or the human suffering that has been the lot of those who participated in the last war, and their dependents.

This vast sum of approximately $4,500,000,000 has been paid by the Canadian people for the last war, an average of approximately $200,000,000 per annum for the past twenty-two years. What could that great sum have accomplished for the Canadian people if it had been devoted to the cause of peace and the social and economic welfare of our people? Is it any wonder that men should hesitate about embarking upon another war and be fearful of any policies that may tend in that direction?

[Mr. Thorson.]

Moreover, that war has not yet been paid for. An enormous annual cost for the last war still remains upon our shoulders to be paid this year, next year and annually almost in perpetuity. For the year ending March 31, 1936, the cost to Canada of the last war may roughly be estimated as follows:

Sums directly paid for war purposes, demobilization and adjustment of war claims	$ 54,843
Share of interest payments attributable to our war debt, approximately	100,000,000
Sums paid out for war pensions	41,521,577
Cost of administration of soldiers' civil reestablishment, approximately	10,000,000
Cost of administration of soldier land settlement, approximately	750,000
Cost of the care of patients and medical examination of pensioners	2,863,991
	$155,190,411

This represents the immense total of over $155,000,000. If that sum could have been used for purposes of peace instead of having had to be applied in payment of the obligations imposed by the war, what could it mean in increased opportunities for the Canadian people, particularly for that great body of the youth of Canada on whose door the knock of opportunity has not been heard?

Therefore, Mr. Speaker, I approach this subject from the point of view of the welfare of the Canadian people. I am not at all concerned with what other countries may think of Canada. My first duty is to Canada, my own country, and to my fellow Canadians; to save this country, if at all possible, from participation in another war the consequences of which will be even more destructive than those of the last war.

What are the reasons advanced for this new policy? We are entitled to examine them closely and to accept or reject them. It has been sought to justify the increases in the naval, militia and air force estimates on the ground that they are necessary for national self defence purposes, and that the moneys voted will be used exclusively for such purposes. These purposes are said to be threefold: to combat subversive elements in our midst; to protect our trade routes, and to repel foreign invasion. Let our thinking be clear before we embark upon a policy that may perhaps, even contrary to the wishes of those who initiate it, march by rapid stages from one of purely national self defence to a very different one of participation in a war, contrary to the best interests of our country. It is our duty to examine this question from the viewpoint of the welfare of Canada and Canadians; for, if this is the beginning of a policy of preparation for war, and if we are

commencing to engage in a race of armaments, the time for a protest against such a policy is now, before the policy gets under way and beyond our control.

I have heard it stated that this increased vote is necessary to enable us to combat subversive elements in our midst. Obviously the naval vote is not intended for such a purpose. Is our air force or our militia to be increased for this purpose? Is it our intention to combat those whose political views differ from those we hold ourselves, with an increased air force or an increased army? It is only necessary to ask the question to demonstrate its absurdity.

Are we, then, proposing to defend our trade routes? May I remind this house that Canada sells her wheat to ninety-nine different countries throughout the world, and that her other exports also go to a large number of countries. Are we going to defend all our trade routes? Obviously Canada cannot attempt any such project. Our external trade is of vital importance to us, it is true, but we would pay too great a price for it if we had to embark upon a naval program adequate to its protection. If we do not intend to protect all our trade routes, which are we to abandon and which should we protect? I again remind this house that during the last fiscal year fifty-three per cent of our export trade went to foreign countries and forty-seven per cent to the United Kingdom and other British countries. Our trade is international and with all the world. The argument that this vote is necessary for the protection of our external trade must in my opinion be dismissed as untenable.

One other alleged justification for this increased vote remains. We are told that we must be prepared to resist foreign invasion. Against whom must we prepare? Is it against Japan? Are we to militarize our Pacific coast? Is it against Germany? Do we intend to militarize the St. Lawrence and our Atlantic coast? What plans have we for these purposes? We are entitled to know such plans, if indeed any exist. Why should Canada not take advantage of her favourable geographical position? We must face facts, and admit that no nation can successfully invade Canada unless the United States is a consenting party to such an invasion. Does any person think for a moment that the United States would permit Canada to be invaded, either by Japan from the west or by any European nation from the east? Their own self-interest in this country would preclude any such possibility. Canada is safe from foreign invasion so long as the United States remains a friendly country. There is only one country that could annex Canada, and that country is the United States. Against that great country Canada could not successfully defend herself, but from that country I can see no danger of invasion and no necessity for national self defence. These are facts. Why should Canada not take advantage of them? Other countries rely upon their surrounding circumstances, upon their geographical position or upon such balances of power as may exist or can be created, whichever is of the greatest advantage to them. Is it right for other countries to do this and wrong for Canada to follow a similar course? I may be told that this is an unworthy attitude for Canada to take, but where the welfare of Canada and of the Canadian people is involved, I care not what others may think of our attitude. We do not need to demonstrate Canadian courage to the rest of the world. Sixty thousand Canadians—and I am proud that my own brother was one of them—did so with their lives during the last war. Indeed, Mr. Speaker, it has always been easy for man to show his heroism on the field of battle; throughout all the ages man has been instinctively courageous when the hour of his trial has come. Often it is more difficult to stand for peace than to yield to the call of war.

I do not believe that these increases are necessary for purely national self-defence purposes, and I am afraid that something more than purely national self defence is or may be involved in this new policy. I sincerely hope that my fears are groundless, but I believe it to be my duty to sound a strong note of warning.

Is there any other justification for increased armaments for Canada? Are we under any obligations to other countries to arm ourselves? If the history of the League of Nations during the past few years had been different, my answer might be in the affirmative. After the great war was over the League of Nations was created. It was to be a great organization of all the nations of the world for the purpose of preserving the peace of the world. Frequently it has been said that the League of Nations has failed. I do not altogether agree with that point of view; for there have been many events that have happened since the league was constituted, which would have thrown the world into war if there had been no league. It is not the League of Nations that has failed; rather is it true that the great powers have failed the league and been false to the hopes of humanity. All the great powers must share the blame—the United States for their refusal to enter the league; France, perhaps most of

all, for the narrowness of her outlook; Japan and Italy for the madness of their imperialistic ambitions. Even Great Britain cannot escape her share of the blame for the failure of the league in the case of Manchuria and to a lesser degree in the case of Ethiopia. I am confident also that the course of Germany would have been vastly different if the treaty of Versailles had been written in a different spirit. The failure of the great powers to cooperate for peace and establish the collective security of the world is responsible for the state of the world to-day, and they should pay the major portion of the penalty. I would feel more kindly towards this increased vote if it were part of a world program for the collective security of the world, either through the League of Nations or through any other agency for world peace, but such is not the case. Until the great powers demonstrate their desire for peace and their determination to achieve it, it is not for Canada to attempt police duties for other countries. The great powers have failed the smaller nations, and at this time have no right to look to them for aid.

I am opposed to the proposed increases in our naval, military and air force votes. They are not, in my opinion, either necessary or effective for purely national self-defence purposes. They are clearly not part of a program for the purpose of accomplishing the collective security of the world, and thus discharging our obligations as a member of the league. I am afraid that we are witnessing the commencement of a different policy, the preparation of Canada for participation in another war. I hope that I am mistaken, but I am afraid that we are tending in that direction, perhaps even against our own wishes and our best intentions. This year the following increases are proposed: Militia services $5,831,502; naval services, $1,832,310; Royal Canadian Air Force, $6,706,622, a total of $14,370,434. This figure represents an increase of over 70 per cent as compared with the votes of the preceding year, and there will probably be further substantial sums in the supplementary estimates. If we permit these substantial increases to pass unchallenged this year, I am afraid we shall be met with a demand for a further increase next year, which we shall not be able to resist. Army officers are never satisfied with the adequacy of their equipment, and we shall be faced with increasing pressure from other sources as well. Every hon. member knows how easy it is to fan the sparks of patriotic fervour into a blazing flame, and how difficult it is to control that flame. It is essential that we should preserve intact the right of parliament to decide whether Canada shall participate in another war, and if parliament is faced with such a question its voice must be a free voice. It cannot be as free as it should be if we now embark upon a policy of preparing for war, for although to-day we may be merely defence conscious, to-morrow we may be war conscious. Moreover the proposed increases are mainly for our mobile forces, and it may happen, because we are ready, that the government of the day—not necessarily this government—will face parliament with an accomplished fact, this country committed to participation in another war,—and perhaps a war with which Canada has no real concern—and this parliament powerless because of the force of public war hysteria to save Canada from the ruin that would inevitably follow.

It is because I wish to safeguard Canada and the individuals who live in it from the devastating consequences of participation in another war that I raise my voice in earnest protest against these proposed increases. I do so because I am afraid that we are embarking upon a policy of preparation for war, and that such a policy will tend to participation in war, although those who now initiate the policy honestly and sincerely intend it to be one of purely national self defence. It can so easily pass out of their control. I hope that I will be mistaken in my fears, for the question of Canadian participation in another war is so serious a one that it may easily split this country from coast to coast and do irreparable harm to the cause of national unity.

May I say a few words with regard to the amendment proposed by the hon. member for Vancouver North (Mr. MacNeil). As I understand his amendment, two criticisms of the government are involved in it. One of them expresses grave concern over the proposed increases in the expenditures for armaments. With that criticism I am in agreement. The other involves condemnation of the government for the inadequacy of its social security program. I am not prepared to follow the hon. member in that condemnation, for I believe that the government is making a sincere effort to discharge its obligations in that regard. Moreover, any amendment to a motion to go into supply involves general denial of supply, and is a motion of lack of confidence in the government. I cannot vote for such a motion, for this government, facing almost overwhelming problems, has made substantial progress in its efforts to solve them and will receive my support in its continued efforts in that direction. For these reasons therefore, I shall not vote for the amendment.

My stand is one of warning protest against a policy which I believe at the present time is unnecessary, and in the future may be fraught with serious danger to the welfare of Canada and the Canadian people. The views which I have sought to express are held by thousands of Canadians from coast to coast. They are not, Mr. Speaker, confined to one province. Nor are they confined to the members of any one party. There are thousands of Liberals throughout Canada who feel as I do. In speaking as I have done I express not only my own personal views but theirs as well. It would be a mistake to let it be assumed either in Canada or elsewhere that the Liberal party of Canada is united on this question, for such is not the case.

For the reasons that I have given I can not support the amendment proposed by the hon. member for Vancouver North, but I reserve my rights when we are in committee of supply to vote for such decreases in these estimates as I deem proper.

Mr. P. J. ROWE (Athabaska): Mr. Speaker, the main purpose of the amendment before the house is to prevent consideration of the estimates of the Department of National Defence. Necessarily it involves as a main consideration the question as to what Canada's policy should be from the standpoint of armaments and military force. It is from this point of view that I desire to discuss it.

To-day there cannot possibly be any question as to the ramifications of international armament firms and the support they have received from international bankers. Neither can it be challenged that more and more each month the world is furnished with disclosures which, to put it mildly indeed, would astound even those who in the past have considered that a war must necessarily be part of our modern civilization. On numerous occasions in the house I have argued this point, and placed on record much evidence which still remains unchallenged. The evidence shows that preparation for war never takes the slightest notice of the welfare of the people who supposedly are to be saved when armed conflict occurs. It is well known that informed opinion throughout the world to-day deprecates war with all its sufferings and with the wanton destruction of human and material wealth that it inevitably entails. It has also been amply shown that war preparations are definitely linked up with the monetary and financial system, and that the minds of the people are prepared in advance by the press which seemingly at every opportunity and on every occasion is willing and anxious to support the policy of increased armaments. The result of this publicity is evidenced on all sides throughout the world in the ever-mounting expenditures made for the purposes of armaments in this wild race in which the world is now engaged and which may easily result in the destruction of our civilization through another armed conflict of nations.

Even soldiers seem to be kept in the dark as to what they are fighting for. It is only after years, it is only after a level-headed survey of the true conditions, that they express their utter disgust and most severe condemnation of war and all its implications. I should like to quote General Smedley Butler, who is reported in Common Sense Magazine for November, 1935. General Butler had distinguished service in the American army for a period of thirty-five years and is the author of numerous books on military affairs. He said:

> In the past two years large national guard forces have seen active service in 20 strikes in as many different states, from the Pacific coast to New England, from Minnesota to Georgia. They have used gas, bullets and tanks —the most lethal weapons of modern war— against striking workers. Casualty lists have been impressive. In one instance they erected barbed wire concentration camps in Georgia to "coordinate" striking workers with all the efficiency of the fascist repressive technique.
>
> I spent thirty-three years as a member of our country's most agile military force—the marine corps. I spent most of my time being a high-class muscle man for big business, for Wall street and for the bankers. In short, I was a racketeer for capitalism. I suspected I was just part of a racket at the time. Now I am sure of it. Like all members of the military profession I never had an original thought until I left the service.
>
> Thus I helped make Mexico and especially Tampico safe for American oil interests in 1914. I helped make Haiti and Cuba a decent place for the National City Bank boys to collect revenues in. I helped in the raping of half a dozen central American republics for the benefit of Wall street. I helped purify Nicaragua for the international banking house of Brown Brothers in 1909-12. I brought light to the Dominican republic for American sugar interests in 1916. I helped make Honduras "right" for American fruit companies in 1903. In China in 1927 I helped to see to it that Standard oil went its way unmolested.
>
> During those years I had . . . a swell racket. I was rewarded with honours, medals, promotions. Looking back on it, I feel I might have given Al Capone a few hints. The best he could do was to operate his racket in three city districts. We marines operated on three continents. The war racket operates at full swing in our own country to-day. Make no mistake. We no longer fulfill by our example as a nation the role of leader in disarmament

and peace-maker to mankind. Our present war preparations and military expenditures forever nullify the Kellogg peace pact to which we subscribed.

Training regulations No. 10-5 of the war department contain the official "doctrine of war," for the United States. . . . Section V, paragraph 6, says "the object to be attained by (military) training is to enable the army to wage offensive warfare," . . . Let us remember that the military ideal of our country has never been defensive warfare. Since the revolution, only the United Kingdom has beaten our record for square miles of territory acquired by military conquest. . . . Our whole history shows we have never fought a defensive war. Our armed forces have up to date plans for offensive warfare against almost every country on the globe—all in the sacred name of "national defence." Should some affront be given to our national honour by Japan, say, there is a plan ready to be put in operation against the Japanese. . . . And the same for almost any nation you might care to name. The war department and the government, under the present law, is at the mercy of the rulers of industry and finance. . . . We support armed forces that have all the evils of the old time European prussianized military systems.

The correction of these evils is our immediate duty. We must deny to our armed forces the functions of diplomats, politicians and agents provocateurs. . . . There must be no more reactionary and destructive intelligence work. The true domestic enemies of our nation—hunger, injustice and exploitation—should concern the military intelligence—not the subversive shadows of their own creation. . . . Nations should consider whether, after all, their best defence might not be to divert to social welfare the effort, energy, and money spent preparing for offensive war.

When conditions develop to the point where the further existence of the money machine is imperilled, a gigantic international abattoir is set up and into it are poured millions of the finest of the world's youth to be slaughtered for the benefit of the money machine and nothing else. Ambassador Page cabled to President Wilson from London on March 5, 1917, saying, among other things—

If we should go to war with Germany, all the money would be kept in our country, trade would be continued and enlarged until the war ends, and after the war Europe would continue to buy food, and would buy from us also an enormous supply of things to re-equip her peace industries. We should thus reap the profit of an uninterrupted, perhaps and enlarging trade, over a number of years, and we should hold their securities in payment. . . . Perhaps our going to war is the only way in which our present preeminent position can be maintained and a panic averted.

Let us see what followed: A month and a day after receiving this cablegram, President Wilson declared war on Germany. This is unchallengeable evidence that financial considerations and not human considerations were at the very root of the American entrance into the European conflict. Remember the declaration of President Wilson a few days before his death, when he said:

Is there a man or woman, nay is there a child, in this audience, who does not know that the seeds of war are sown in hot, successful commercial rivalry?

The American senate, in a report on corporate earnings and government revenues, being senate document 256, sixty-fifth congress, second session, shows very definitely that Mr. Page's recommendations bore their fruits. From this report I quote some of the profits which have been admitted, and it must be remembered that these figures were supplied by the firms involved. There are some illuminating figures in this report. Twenty-two meat packing firms reported profits of 100 per cent or more. Sixteen cotton yarn manufacturers reported profits of 100 per cent or more. Thirty-nine garment manufacturers reported profits of 100 per cent or more. Fifteen steel plants and rolling mills reported profits of more than 100 per cent. Bituminous coal producers in the Appalachian field reported as follows: 135 firms had profits of over 100 per cent but under 500 per cent; 21 had profits of over 500 per cent but under 1,000 per cent, and 14 firms reported profits of over 1,000 per cent. Every day while the great war lasted 20,000 men and boys were killed, wounded or taken prisoner. Of the 66,000,000 mobilized, roughly 10,000,000 were killed at the front. The Swedish society for the study of the social consequences of the war reports that, including deaths among non-combatants and deaths resulting from epidemics arising out of the war, we have the appalling total of 40,000,000 dead as a direct result of the war. The total cost, estimated at $337,000,000,000, would require to meet it a payment of $20,000 an hour from the birth of Christ until the end of the world war. If the cablegram of Ambassador Page had been blazoned on the front pages of the world press I doubt very much whether the American people would have considered it their patriotic duty to embark upon a mission of mass murder, particularly had they then known that their effective participation on the battlefields of Europe would have resulted in the creation of 21,000 new millionaires in the United States as a direct result of war-time activities—we had six or seven hundred new millionaires in Canada as well—with no less than $58,000,000 of new profits for the du Ponts, about whom we have heard something in this house within the last few days; one of our civil servants is very closely connected with the du Ponts. The Central Leather Company increased its annual divi-

dends 1,100 per cent; the General Chemical Company, 1,400 per cent; International Nickel, 1,700 per cent. It is inconceivable that American soldiers went to war for that.

I cannot conceive that hon. members can be asked to consider increasing expenditures for armaments and defence without being specifically informed of the dangers that threaten us in the immediate future. It is my opinion that if this country is to be asked to embark with all other nations of the world in a mad armaments race, the first duty of this government is to furnish the house and the people with a complete and detailed report of the reasons why we are to arm, against whom we are to arm, and for what purposes these armaments are to be used. It is folly to assume that the increased expenditures this year can afford defensive protection to this country, and it is reasonable to assume that this year's estimates are merely the thin end of a wedge that will be driven even deeper into our national finances if we once allow it to enter. Surely the people of this land are entitled to full knowledge on questions such as these: What guarantee can the government give that there will be no war profiteering? What assurance is there that at this very moment our natural resources are not being turned into implements of war?

An hon MEMBER: They are.

Mr. ROWE (Athabaska): What firms in Canada are at present engaged in the manufacture of armaments, munitions and war supplies for Great Britian or any other countries? What profits are actually being reaped by Canadian concerns through the provision of such materials? And—perhaps more serious than all else—what guarantee have we that our youth will not be expected to face the very arms and be targets for the very munitions that are now being exported from this country?

I cannot conceive a better description of the causes of war than that recently furnished me in a letter from Mr. John Hargrave, an author of repute, whose book Summertime Ends, published by Bobbs Merrill Company, New York, is most illuminating. Mr. Hargrave has made an extensive study of world economic systems and has inquired deeply into the causes of war. I quote from his letter:

> War is the inevitable result of a faulty financial system of distribution in which the "home market" of every country fails to be fully effective, and in which, therefore, the scramble for export markets abroad becomes imperative.
>
> It is essential that each great producing country should make its own "home market" effective by the issue and use of its own debt-free consumer-credit. This is the only way in which it is possible to eliminate the root cause of war.

When we are dealing with a matter of this kind, surely it is incumbent upon us as the representatives of the people to give consideration to causes rather than to effects. I suggest that the spectre of all the wars in history will rise up—on the day of judgment—and point an accusing finger at the leaders of mankind, because it is only to cover their own stupidity and folly and refusal to think that the common people are led to the shambles. It has gone on for centuries; it is about time to put a stop to it. I challenge anyone to find that there is any other cause of modern wars than the one that I have just stated in my quotation from Mr. Hargrave's letter. May I further suggest that this statement is an accurate analysis of the root causes of war. May I say also that it is futile for this country to embark upon a policy of armaments and defence without thoroughly investigating the economic causes of war, and having found them, proceeding immediately to remove them.

Perhaps it is well to have in mind the words of the Minister of Defence (Mr. Mackenzie), speaking at Ottawa on February 7, 1936. In stating the two cardinal principles of defence, the minister said:

> First we must have the defence forces sufficient to control subversive elements from within, and sufficient also to repel attacks from without.

We have heard a great deal about subversive elements from within. Unfortunately many members of the government have not very well described what these elements are. Does the government fear that the people of this country, with its more than a million on relief, will rebel against the continued policy of scarcity? Does the government believe that our youth will become tired of walking our streets and roaming through our provinces in futile search for work? Does the government believe the taxpayers of this land are becoming so overburdened with taxes that the almighty dollars of interest will have to be extracted from their pockets with the aid of bayonets? I repeat that the Canadian people, who in the ultimate must pay with their blood and dollars for armaments, are entitled to receive from this government without further delay a clear statement of the intentions of the government; and particularly, if there are such great dangers within our borders, let the government point its finger at these so-called subversive elements. I for one believe that Canadians are a peaceful people. I believe indeed that they are

too peaceful. I have long since expected that they would cry very loudly against the continuance of economic conditions so contrary to their welfare and so definitely opposed to the policies possible in this enlightened age.

I very well recall the many discussions in this house relating to old age pensions, pensions for the blind, veterans' assistance and other measures of social welfare. Inevitably during these debates the house was informed that these things were very nice and very desirable, but there has always been a nigger in the woodpile; always there has been no money available for such services. Just the other day the Minister of Finance (Mr. Dunning) rebuked the hon. member for Rosthern (Mr. Tucker) because he had the temerity to advocate some slight departure from the rules of orthodox finance. The cry of inflation is regularly raised in this chamber. For my part I would much prefer the methods advocated by the hon. member for Rosthern than again to see the national debt increased by loans, as will be inevitable if we embark upon this wild armaments program.

To hon. members representing the province of Quebec—and I include ministers of the crown from that province—I would say that if I am at all a judge of public opinion the French-Canadians in this country are a peace-loving race who strenuously object to any warlike activities on the part of this country. I willingly concede the high patriotism of French Canada, but it is a patriotism devoted to their homes and our national institutions and one that is very little concerned with entanglements beyond our borders.

In closing I express my intention of supporting the motion because in my opinion this house lacks the complete information necessary before embarking on a policy of armaments; because the financial position of the country cannot permit of this added burden under our present orthodox financial methods, and primarily because I consider that the essential problems in Canada must first be solved, and that the duty of this government is to achieve for all complete economic security before launching on the production of non-essentials. I am forcibly reminded of the many promises made by the present government's supporters during the last election campaign. I recall the statement of the Prime Minister on the night of the election, to the effect that "the battle in the next parliament will be between the power of the people and the power of money." The amendments to the Bank of Canada Act last year gave the first victory to the power of money. This year, let our actions in parliament be such as to give victory to the power of the people.

[Mr. P. J. Rowe.]

Mr. J. A. GLEN (Marquette): This debate centres around the amendment moved by the hon. member for Vancouver North (Mr. MacNeil) which reads:

> That all the words after the word "that" in the motion be struck out and the following substituted therefor:
>
> "This house views with grave concern the startling increases of expenditure proposed by the government for purposes of national armament in contrast with the inadequate provision for the social security of all section of the Canadian people."

As the Minister of National Defence (Mr. Mackenzie) said, this is a double-barrelled motion in that it contains two major propositions, one as to defence, and the other as to social security. I may say at the outset that I cannot support the amendment and I will give reasons therefor.

In the debate which has taken place yesterday and to-day a good deal has been said with regard to expeditionary forces which Canada might raise to take part in a European war. I listened very carefully, as most hon. members did, to the speech made by the Minister of National Defence, and nowhere throughout that whole speech was there any word with reference to offence; wholly and solely was that speech intended to convey what was the purpose of Canada in the realm of defence. There is no one, I am sure, in this house or throughout the dominion who is anxious for an increase in armament expenditures. All of us hate the idea that there should be any increase in these expenditures from which we are suffering so much in our economic structure. But, Mr. Speaker, when the hon. member for Selkirk states that there is bound to be controversy in regard to these estimates, he is of course entirely correct. I do not think, however, that he is speaking for the Liberal opinion throughout the western part of our country, and I know he is not speaking for a great many of the young men who may ultimately have to take part in war. I have in my hands a resolution passed by the Junior Liberals Resolutions Committee of Manitoba, a study group of eighty within the province, who have gathered and correlated most of the opinions expressed by the young men in the Liberal ranks in the province. They passed a resolution to this effect:

> Therefore be it resolved, that Canada work for immediate reform of the league; first, by reorganization of the world court, so that it will command the confidence of all nations, large or small, in its settlement of disputes; second, by the guarantee of collective aid, if

attacked, to those members of the league who have faithfully carried out their league obligations; and third, by the establishment of a coordinated international, land, air and sea force, to which Canada should pledge a proportionate contribution, for the enforcement of international law,

That Canada's land, air and sea forces be increased and modernized, until adequate for coastal defence, and suitable for a contribution to an international police force,

That if Canada is involved in a conflict all wealth and all industry be conscripted,

That generally, Canada's foreign policy be based on complete support of the league, and that no conflict be engaged in, save for the purpose of enforcing the authority of the league and supporting a system of collective security,

And finally, if after such steps have been taken, it is indisputably clear that there is insufficient armed force at the disposal of the league to effectively enforce its decisions then Canada should reconsider or postpone its league policy, and if continued bad faith is displayed by the great powers in the league, then Canada should withdraw her support and take whatever measures are necessary for her own security.

I read that resolution for the purpose of demonstrating that throughout this country to-day all men and all women of this dominion are concerned with what is the foreign policy of Canada, and I think I can start out with this axiomatic remark, that our foreign policy, to be a sound policy, must defend the existence and promote the welfare of Canada. If Canada were not so placed geographically that a war in Europe might seem—and I emphasize the word "seem" —remote to Canada, the answer to our foreign policy might very easily be arrived at. But situated and placed as we are, there are those who urge that Canada adopt a policy of isolation. Well, Mr. Speaker, those who advocate such a policy must choose between two kinds of policy—armed isolation and a deliberate detachment from other countries, or a defenceless Pacific isolation until some foreign power likes to put an end to it. Canada must sooner or later face the question of its relationship and obligations to other countries, particularly those included in the present British commonwealth. When we heard the news that arrived from Great Britain the other day, the appalling news that two billion dollars were to be obtained by loan in order to increase the armaments of Great Britain, we stood back in amazement and wondered what madness was here that such a thing should be necessary in Great Britain. I do not think anyone will disagree with me when I say that the government of Britain when they undertook to make that loan did so not because of any false fears but because of the realization that nothing but stark necessity was making them enter the world's money market to borrow money for armament purposes. It was not the policy of Mr. Baldwin's government, for he was elected on a peace policy; and you will remember, Mr. Speaker, the outraged convictions of many people in Britain when the Baldwin government proposed to depart from that policy. They found that public opinion was stronger even than the government, and they had to withdraw from the position they had taken in connection with the Laval-Hoare agreement. That is evidence to me, sir, that there is a real fear in the minds of those who are competent to judge that war may be upon us in 1937.

I was reading at the beginning of the year an article by Mr. A. G. Gardiner, an internationally known publicist. In this article he was pointing to the fateful year of 1937 and indicating those who might again create war in this world. He referred particularly, of course, to Hitler and Mussolini as the two men who seemed to have the say-so as to whether there shall or shall not be war. He discussed many things that were happening in both these countries, and I should like to preface my remarks, before going on to deal with these estimates, with the reasons why the government of this country should take stock of her forces in order to meet any potential attack on the part of a foreign country. Mr. Gardiner pointed out—I might say in passing that he is no friend of the government of the day in Britain; as a matter of fact he is a man of peace so outstanding that he is internationally known—that Goering had said that the German people must have guns, and not butter. That is a striking phrase, but I think it is emblematic of the policies that obtain in Germany to-day; they are more concerned with guns than they are with the food of the people. He also pointed out that there were fifteen million families in Germany to-day who are being mobilized against famine; that there were regulations against the hoarding of gold, and that the nation was compelled to take what it could get to eat in the way of food, and not what it wanted. He also referred to the desperate need of money in Germany. When I read that, it was so striking that I had to memorize it, and I was really glad to think that I was in Canada and not in Germany; for only recently they passed a law in Germany inflicting the death penalty by beheading upon those who smuggled money or securities abroad or maintained funds abroad without reporting them to the Reichsbank. I am sure hon. members will agree that it is a mighty good thing to be living in Canada to-day, despite all its adversities.

To add to these horrors there is now being consummated, and it is becoming more and

more apparent, a union between Hitler and Mussolini. They are supreme; they may do anything. The sanctity of the bond is not in their vocabulary. Hon. gentlemen will remember that when the gentleman's agreement was made between Britain and Italy, at the very moment that Lord Lothian's committee was sitting and endeavouring to complete its regulations regarding the non-intervention pact so far as Spain was concerned, the port of Malaga was being taken with the assistance of fifteen thousand Italian troops. Those troops could not leave Italy without the knowledge, if not the consent, of Mussolini. These are the men, Mr. Speaker, whom we may have to fight against. The nations that they represent apparently have no voice in the foreign policies of their governments. Only the sweet will of both these strutting braggarts rules the world of peace. What does that mean so far as Canada is concerned? It has brought vividly before this country what may happen in the year 1937 unless precautions are taken.

I assume from what I have heard of the arguments in this debate that the main thing that is troubling people to-day is the question of the implications respecting empire defence in the increased estimates of the Minister of National Defence. If I may take the word of the Minister of National Defence in the speech he made in this house yesterday, he clearly stated and reiterated that there was no meaning to be attached to any such implications, that the policy of the government was not for offence but for defence, and that the government did not propose to form any expeditionary force for a European war.

The last war created a nationalism which has been rampant over the whole face of the world. Instead of nations living together harmoniously and trading with one another they are to-day living in fear that they may be fighting each other to-morrow, simply because of the caprice of any one of these dictators. Everyone knows that the rape of Abyssinia took place not because there was any conflict between Italy and Abyssinia, but simply because Mussolini had to still the flames of revolt throughout his whole country, and could only do so by giving to his people a promise of gain and of glory. Canada is not immune from attack by either of these two gentlemen. If the internal affairs of either Italy or Germany compel them again to enter the field of war, do you think for one moment that they have not in their minds this vast domain of Canada, where eleven millions of people occupy half a continent, and where foodstuffs are so abundant that we are able to feed many nations of the world? Naturally they would look to Canada, and if it should happen that either of these countries were in conflict with Britain, what do you think would be the first object of either of them, if not to stifle the trade routes from Canada to Britain, and if possible starve Britain?

Some would say, and have said in the course of this debate, that we propose to take care of the trade routes by which food is carried from Canada to Britain. There could be nothing more ridiculous. The very paucity of the estimates and the magnitude of such a task is surely the answer. It could not possibly be. Nevertheless both Italy and Germany may and undoubtedly will recognize that the stifling or cutting off of the trade routes from Canada to Britain would be equivalent to a victory over Britain. There is no need for Italy or Germany to land one soldier on the shores of Britain if they can stifle the trade routes leading thereto, and that certainly would be one of the first things they would attempt to do.

Some would say they might come to Canada. I do not think that is too far-fetched a statement to make. It is in the minds of all that in 1933 General Balbo came with his air squadron to Canada and to Chicago, and surely it is not beyond our imagination to conceive that the machinery of war and the lessons gained in war have been so emphasized and assimilated—and war technique so improved beyond recognition—that to-day there is a real fear that we might be invaded by either of those two countries. It is said that the distance is too great. Let me recall that when Mussolini was organizing his suicide squadrons—and some gentleman asked the other day how the invaders proposed to get back if they ever did come to this country—those who made up the personnel of the suicide squadrons pledged themselves for particular purposes with no idea that they would ever return. If an aerial squadron came to Canada it could destroy our eastern ports; Montreal could be reduced to ashes, and the elevators containing grain intended for overseas might be destroyed. I do not think it is too far-fetched to suggest that as a possibility that might occur during a war. Navies alone are not needed; navies of the air are needed, and these foreign governments are addressing themselves to that feature of warfare more than to any other.

Then it is said that if Canada should be invaded we could depend upon the United States to protect us, that the Monroe doctrine would apply. I wonder if hon. members who refer to the Monroe doctrine realize its implications. It is not statutory; it was contained in the presidential address of President Monroe delivered as far back as the second

day of December, 1823. I need not read it all, but I shall read what is material as far as any assistance by the United States in the defence of Canada is concerned. This is the important part:

> We owe it, therefore, to candour, and to the amicable relations existing between the United States and those powers, to declare that we should consider any attempt on their part to extend their system to any portion of this hemisphere as dangerous to our peace and safety.

It will be noted that the reference is to the extension of their system. But President Monroe went further:

> With the existing colonies or dependencies of any European power we have not interfered and shall not interfere—

At that time I assume Canada was a colony of a European power:

> —but with the governments who have declared their independence and maintained it, and whose independence we have on great consideration and on just principles acknowledged, we could not view any interposition for the purpose of oppressing them, or controlling in any other manner their destiny, by any European power, in any other light than as the manifestation of an unfriendly disposition towards the United States.

Then further:

> In the war between those new governments and Spain we declared our neutrality at the time of their recognition, and to this we have adhered, and shall continue to adhere, provided no change shall occur which, in the judgment of the competent authorities of this government, shall make a corresponding change on the part of the United States indispensable to their security.

What I have just read, Mr. Speaker, means this: If Italy or Germany were to declare war on Great Britain, is it in the mind of anyone that they would not treat Canada as a belligerent? If one of these countries takes up the burden of war again we may be assured that these birds of prey are not likely to issue any formal declaration of war. It will come at a moment's notice. The president of the United States and his congress would take some time in preparing a mandate, and if they issued any such document they would become a belligerent as against this other nation with which they had no quarrel. The difficulty is easily seen, and it is not too much to say that the United States is not bound automatically by the Monroe doctrine. I think it is fair to say that any support given by the United States would be given because their own interests in connection with trade or the lives of their citizens demanded it of them. In the meantime the damage would have been done.

When the Minister of National Defence was making his statement the other day he reiterated the fact that there was no thought in his mind of any of this appropriation being used other than in the defence of Canada. In the eloquent terms with which he expressed his point of view he was only expressing the view of the government, and I am quite sure he did not exceed the instructions of the cabinet. When I look at the cabinet, Mr. Speaker, I see men who speak my language and who are affiliated with me politically. If it were not so I cannot conceive of the Prime Minister coming into this house and saying on several occasions, with all the emphasis at his command, that on no occasion has there been any commitment or any undertaking given to any government on the face of the earth with regard to these estimates, and that the only meaning to be drawn from the increased vote now asked of this house is that it is to be used simply and solely for purposes of defence. And in addition, Mr. Speaker, both the Minister of National Defence and the Prime Minister have stated what I think is generally accepted throughout the dominion, that in no case shall Canada enter into a war which involves the sending of an expeditionary force out of the country until the consent of parliament has been obtained. I believe that is the policy of the government of the day, and I think it was also the policy of the previous government.

That does not necessarily mean, however, that this country will not defend itself against aggression, and as I understood the speech of the Minister of National Defence the purpose of these increased estimates is that we may have the equipment necessary in order to protect our shores. I am prepared absolutely to accept the statement of policy that has been made on behalf of the government. I know they will carry out that policy, and I am going just a little further. The Prime Minister has taken many political steps during his career. He will be the leader of the delegation which will leave Canada in May to attend the coronation, and following the coronation there will be an imperial conference at which all the nations of the commonwealth will be represented. The Prime Minister has already established a precedent; when he negotiated an economic treaty with the United States he was the first statesman in the whole world to make a breach in the tariff and economic walls surrounding the nationalist countries of the world. He did make a breach, and that breach has been widening ever since. Men are beginning to realize that the peace of the world

depends to a large extent upon economic interpenetration and trade between countries rather than upon force of arms.

I am going to suggest to the Prime Minister that when he goes to the imperial conference he take with him the viewpoint expressed in this debate, and declare in unmistakable terms in every address he makes that Canada is nauseated with war and that we are anxious that the League of Nations should again function in order to bring about peace in the world. Canada's influence may not be as great as that of some of the larger nations. Numerically we are not strong, but I do not think anyone will deny that potentially, in our citizens and our resources, no country is superior to us. I suggest therefore that at the imperial conference the Prime Minister again take the initiative within that commonwealth league of nations upon which the hope of the peace of the world still rests, and that he there and then communicate to those countries comprising the British commonwealth of nations the fact that Canada does not want war. We ask him therefore to say to the British nations "Let us, if we can, canvass the situation again."

In an address delivered a few days ago the Minister of Justice (Mr. Lapointe) said that the league was not dead. I believe I am voicing the views of most hon. members and a vast majority of the people throughout the country when I say that in the league lies the hope of peace. It behooves Canada to exhaust every effort towards making it the commanding influence compelling peace in the world.

Mr. J. ALPHIDA CRETE (St. Maurice-Lafleche) (Translation): Mr. Speaker, since the question of national defence means so much to all Canadians, may I be allowed first to remind the house that the stand I am taking is purely from a Canadian point of view. I love my country well enough to wish for its happiness and security; I love it well enough not to lay it open to trouble and agitation; I love it well enough to desire that it be respected by other powers, and I love it well enough not to base my political views on personal ambitions or patronage contingencies. I am not opposed to the principle of national defence, but such principle may surely be considered from different angles, and it is in that spirit that I intend to discuss the present estimates in order to see whether they properly answer their purpose.

Responsible as we are towards our respective constituents, I think that it is our duty to give our best consideration to the defence estimates. What we have to consider to-day is not the annual vote of $15,000,000, but a substantially increased appropriation which is about twice what the government saw fit to ask for last year. Since that time I admit that our economic prospects have become brighter, but the public debt is nevertheless very large, and our very financial condition has to be accounted with in relation to the estimates that we are discussing, when you consider that our debt is largely due to the military venture of 1914-1918. These circumstances as a whole have led me to ponder and to ponder seriously over the situation, considering the opinion of my constituents who, in that regard, hold the same views as in the last election when they voted, at least in my province, on the strength of the oft-repeated statements of the leaders and candidates of the different parties. Today, the people are getting excited over this question and watch the stand that each one is going to take in view of their promises. When I heard, last night, one of my compatriots end his speech by saying: "I would be a traitor to my race if I thought that we were not taking the means of protecting ourselves," I wondered whether his attitude, prompted, I am sure, by the purest of patriotism, fully agreed with the feelings of our Canadian people in the province of Quebec.

In spite of the civic virtues which such statement entails I am afraid that it will not be greatly appreciated by his compatriots, even in this chamber.

Here are the humble observations that I for one venture to offer to the hon. members of this house. Mr. Speaker, the first question that comes to our mind in this: Why such an increase in the estimates of the Department of National Defence? For what purposes do we start building armaments? We may assume two things: We are building arms either for the empire, or for Canada. For the empire? We may have thought so for a time. I need not remind the house of the numerous formal visits of certain emissaries from Great Britain and of their untimely statements, so much so that the hon. Minister of National Defence (Mr. Mackenzie) himself had to correct them, from a Canadian point of view, in order to reassure public opinion. Even in Canada, some representative people repeated these appeals and echoed them to the four corners of our dominion. But to talk about arming for the empire, Mr. Speaker, would preclude us from speaking about national defence, because, after all, Canada must not be synonymous with the empire, and everybody knows that the empire does not mean Canada.

However, to-day, we are told that we are dealing with a plan of national defence, that is to say, if we take the proper meaning of the words, a plan exclusively for the defence of Canada. Besides, I think that it is actually the intention of the present government who positively say so in their statements. Therefore, we are not arming for the empire, but for Canada, and for Canada alone.

But even for Canada I do not think it is advisable in the present circumstances to increase our defence budget by 15 millions. It seems to me that neither our geographical position, nor our political status, nor our financial condition justifies such an additional expenditure.

Canada, being, geographically speaking, an extension of the United States toward the north, has in the south a conventional open boundary 3,000 miles long. Let us suppose for an instant, in order to illustrate my point, that we be attacked from that side. All the Canadians fit to wear a uniform, all the conscripts, would not be able to cover efficiently one-third of the 45th parallel. And how would we build up our reserves? Are we going to put up a Chinese wall, a Maginot line? Even if we did succeed in fortifying the great lakes district well enough to make it safe against any invasion, the frontier would nevertheless remain open on a distance of 2,500 miles.

An attack from the Japanese, in the west, on the Pacific coast, would never be tolerated by our neighbours who have common interests with Canada on that coast and who will always keep the road open to Alaska. Everywhere else, we may depend on the assistance of the United States because of the Monroe doctrine, which was further emphasized in the positive statement which the president of the United States made while in Quebec, last summer.

Let us now consider the problems connected with our political status, and the conclusions are the same. For instance, if you look over the history of the last century you will see that there was no important conflict on Canadian territory since 1814. Of course, I know very well that war breaks out suddenly, but everybody knows that an armed conflict can be but the outcome of difficulties which have been made worse by years of serious economic misunderstanding or unsatisfied racial ambitions. But we in Canada, who are in peace with all the nations of the world and are cited as an example even in the League of Nations, how could we understand the uneasiness and the agitation of our warmongers.

A cursory examination of possible causes of war all over our planet at this time shows that those governing ideas which are shaking the old world—communism, fascism, lust for conquest—do not represent for us any real war threat. I shall deal later with the danger arising out of communism. No country could pick a quarrel with us in order to secure colonies, for we have none. It will be recalled that, at Versailles, it was not deemed necessary to allot us the smallest share of colonial spoils: that is another benefit we have reaped from our participation in the last war! Thus, the latest warnings of the German dictator are not meant for us. We have no colonies and we will not go to war in order to secure any. Considering the present population of Canada, our natural resources and our industrial wealth are, on the whole, sufficient for our needs; we even find it possible to export outside the empire our most plentiful products. In that field, the Prime Minister has clearly understood the importance which the lowering of tariff walls may take for the preservation of international peace. If, in some unusual instances, we had to lower these walls to still lower levels, we did that, as will be recalled, to avoid a disastrous war and to comply with the terms of a covenant.

In my opinion, our financial position is another serious objection to such a substantial increase in the appropriations with which we are dealing. Let us not forget that our per capita debt amounts to $272. Let us consider, also, what burden the organization of an efficient national defence would mean for the taxpayers in this country. With such a vast territory, with our scattered population, what could we do with $15,000,000? Why, hundreds of millions would be required, and even then the efficiency of our defence would be doubtful.

Obviously, Mr. Speaker, the organization of our defence upon an efficient basis is beset with numerous difficulties most of which are physically insuperable. I even venture to think that the officers of the Department of National Defence realized that, since the plan which is now submitted to us is not what can properly be called a national defence plan. Indeed, as we look over the estimates, we notice that quite a few items which show an increase over last year, are for the purchase of offensive arms.

As a matter of fact, we notice the greatest increase under the head of military aviation. Yet, we all know that in time of war aircraft are primarily used as weapons of attack. However, I do not question their usefulness as a means of defence, And in the proposed purchases which we are called upon to approve,

I notice 24 bombing planes and 12 fighting planes not to mention 27 training planes! Light infantry, as it were!

Another important part of the estimates which we are requested to vote is to be used for the purchase of two destroyers which Great Britain will soon deliver to us. They are to replace H.M.S. Champlain and H.M.S. Vancouver which, I am told, used to spend a few months each winter in southern waters, that is in the West Indies. If those two destroyers are absolutely necessary for our defence, I am far from feeling safe when they are there. I am even informed that immediately after they reach Canada in March, they will be sent on their cruise and will not return—God help us—before May next!

A little further, I notice that the Quebec fortifications have not been overlooked, $15,000 being appropriated for rebuilding the walls! Perhaps such an appropriation is timely but to those who are familiar with Quebec city, this item is more calculated to perpetuate our past military glory than to ensure our safety in case of war.

As regards our strategic points, Halifax and Vancouver, where there is a remote chance that we might be attacked, I notice that the money to be spent in their defence form but a small percentage of the $15,000,000; there, as in Quebec, the work is more in the nature of a useless precautionary measure. For all these reasons, it seems impossible to conclude that this plan will be efficient. Let no one claim that such is an anti-Canadian view. However brutal and regrettable it may be, reality is still reality; we are physically incapable of defending ourselves adequately, whatever defence plans we may resort to.

It might be said after all that these expenditures would provide employment and give their daily bread to thousands of unemployed. But I suppose no mention is made of the two destroyers that will reach our shores next month from England where they have been built; it is quite evident that no reference is made to the 102 new planes to be built shortly by large Canadian and foreign plants without any noticeable increase in their regular staff. What is left? A few undertakings requiring the hiring of experts which will be contracted for by individuals who also will not employ any additional workers.

Mr. Speaker, my criticism in certain quarters may seem harsh, but in view of the future, I wish it to be constructive, and I candidly believe that war material is not building material.

Should collective inaction and passiveness be inferred from the above considerations, Mr. Speaker? Should we be satisfied with

our lot without hoping for a stronger Canada, respected by her neighbours and all foreign powers? Such is not my point of view. I believe in certain methods of ensuring our security, and I trust this house will permit me to suggest them briefly. Whether we like it or not, we are inhabiting the North American continent; all of us wish and aim to be Canadians to the core, but we must take into account our geographical position, that is to say, in the wide sense of the term, we must be Canadians living in America, I am not saying under the American flag, and far less under European flags. I believe in the Pan-American co-operation towards peace, and when I look at the results of our happy relations with our neighbours to the south, I still find greater advantages in this co-operation. The trade agreement alone entered into last year by the government constitutes an evidence in support of my statement, which is becoming more startling every day.

Mr. Speaker, I am in favour of preventing all trouble within our borders; every subversive movement, communistic or otherwise, should be eradicated at all costs; a limited budget tending to reduce the strength of our constabulary would certainly be unsound economy, an uncalled for parsimony. But it is with great satisfaction that I find a vote of $6,000,000 for the Royal Canadian Mounted Police. I am not in a position to state whether or not the amount is sufficient, but at any rate it is far from being excessive. However I cannot explain the purchase of 102 new airplanes, even if the atmosphere smacks of communism. It is our right and duty to patrol our coasts through close watch, but I do not think that the sight of our cruisers will prevent smugglers from operating in our coastal waters.

I believe the duty of the present hour to be the putting into effect of a well-understood national economy rather than a risky defence policy. We must help in restoring our economic life in its various aspects, lest we forget that death is the great provider of armament factories. Again I ask, Mr. Speaker, if an adequate formula for national defence could not be found in the quest for economic stability. In fact experience tells us that a prosperous nation does not seek to overthrow the government nor does it engage in class warfare. A contented nation does not envy its neighbour's fate and wishes harm to nobody. Even if we could suppress all causes of domestic agitation, I claim that possibilities of conflicts would be so much reduced and would become less imminent.

On this point, we cannot also ignore the opinions of our young men. Without any concerted movement, students from Toronto

and from Quebec do not think differently on the question of armaments. Read their papers; you will find in them the same feelings and the same conclusions. Our young men are not in favour of militia expenditures, as they know they will be the ones to pay in the last resort.

Building airplanes, increasing war material and voting estimates to that effect is certainly not the policy we need at the present time. Let us arm ourselves if we wish; however slightly it may be, the fact remains nevertheless that we are plunging into the armaments race when previously everything ran so smoothly. Look at the old world having to bear the burden of past wars, rent by internecine strife and troubled by the outlook of a precarious future; see it look hopelessly for an era of security and real peace. A most terrifying situation that has been going on for years, while the Canadian people were cheerfully marching to the conquest of its destiny under a sun whose light had no blood-stained appearance. Everybody admired and envied our peaceful atmosphere, and rightly so.

Now, Mr. Speaker, I cannot leave what I might call the imperialistic clasp to throw myself in the arms of socialism, so in the first place I shall vote against the motion of the hon. member for Vancouver North, leaving the question of deciding as to my vote when the various items of National Defence estimates are considered.

Mr. LIGUORI LACOMBE (Laval-Two Mountains): Mr. Speaker, before I proceed to speak in my mother tongue, I should like to say a few words on this very important matter now being debated in this house. The hon. member for Selkirk (Mr. Thorson), who spoke a few moments ago, deserves sincere congratulation upon having made such a splendid speech. Personally, as a true Canadian, I will fight unflinchingly against the participation by Canada in imperial extra-territorial or European wars. If I should come to the conclusion, after hearing the explanations by the government for the increase in the estimates for national defence, that these are to be used for extra-territorial wars, I shall vote against the item. Why? Because in my humble opinion the great task of the government is to review our tremendous taxation, to pay our national debt largely due to the war and to give more general support to the great industry of agriculture. Let us keep our young men on our Canadian soil. Let us give employment to Canadian citizens. Let us develop our natural resources and bring about more happiness and prosperity to the people of Canada.

The amendment suggested by the hon. member for Vancouver North (Mr. MacNeil) is not only a condemnation of the proposed increase in national defence, but a motion of non-confidence in the general political program of the government. Consequently I shall not give my approbation to the amendment, but I reserve my freedom of speech and my freedom to vote as I desire on the question of the increased cost of national defence.

(Translation): Mr. Speaker, I find in the House of Commons' votes and proceedings of Feruary 15, 1937, page 141, the following amendment:—

> The order being read for the house to resolve itself again into committee of supply;
>
> Mr. Dunning moved, that Mr. Speaker do now leave the chair.
>
> Mr. MacNeil, seconded by Mr. Coldwell, moved in amendment thereto: that all the words after the word "That" in the motion be struck out and the following substituted therefore:
>
> "this house views with grave concern the startling increases of expenditure proposed by the government for purposes of national armament—

And the hon. member did not stop there.

> —in contrast with the inadequate provision for the social security of all sections of the Canadian people."

Mr. Speaker, I frankly admit that I will not follow the hon. member on the ground that is covered by the last part of his motion of non confidence.

I belong to a generation which has had to suffer so much from the war that I cannot shirk what I consider my duty in taking part in the present debate. Conscripted in 1917, I am not unmindful of all the offences, the injustice and the abominations which youth had to go through during these tragic days.

Going back twenty years I can still see these young men ostracised, pursued, surrounded, taken away from their homes and thrown into barracks. Even when the war was over the government at that time endeavoured to fine or imprison the young men who had refused to abide by the odious conscription act. In fact, incarceration was the penalty meted out to those from whom the government had been unable to get the price of blood. Shameful retaliation of an inauspicious period which undoubtedly no member of this house would wish to go through again.

The last great world war caused the ruin of individuals, families and even nations. Our ill-considered participation in that conflict led Canada to the verge of destruction. To take part in another war abroad would mean Canada's complete downfall.

I need not recall the history of our unfortunate venture in the last war. I shall also abstain from recalling the extravagant expenditure which it entailed, the thousands of millions in taxes which it cost us and is still costing us, as well as the enormous number of lives that we lost through it. Therefore I state that I am positively opposed to our participation in conflicts abroad. In that regard I shall be unflinching and relentless even if I have to oppose any government. Should a catastrophe occur in central Europe or elsewhere let us not be mad enough again to meddle with it.

You cannot deny the fact that the people were deeply concerned when they heard of the government's intention to increase the national defence estimates. Nobody could blame a Canadian worthy of the name for having at heart the preservation of his home, of his heritage, and of his country. Has he not a right, because of this conviction and this very pride which is a credit to him, to demand from the government a clear and definite statement showing the necessity for such heavy sacrifices. After all it is the Canadian taxpayer who will pay. There is nothing more distressing than doubt and insecurity especially in connection with an issue as serious as the one which we are presently discussing in this chamber. That is why I cannot just now decide as to the advisability of this government measure, though the right hon. the Prime Minister, when he spoke in this house on January 25 last, seems to have stated in plain, definite, firm and clear terms, the exact condition as regards the defence of our territory and nothing else but our territory. In order that there be no mistake, I am going to quote the very words of the right hon. the Prime Minister as they were reported in Hansard of January 25, 1937.

> My hon. friend referred to the estimates. He stated some were claiming they were evidence of preparation for another European war. The hon. member asked, Were these estimates for that purpose, or were they for the defence of Canada, or what were they for? I am not going to anticipate what the Minister of Defence (Mr. Mackenzie) may have to say when the estimates of his department are before this house for discussion. But I do wish to say at once that, as far as the estimates presented to parliament at this session are concerned, any increase placed there has been only and solely because of what the government believes to be necessary for the defence of Canada, and for Canada alone. The estimates have not been framed with any thought of participation in European wars. They have not been framed as a result of any combined effort or consultation with the British authorities, beyond what would obviously be in the interests of all in the matter of gaining the benefit of expert opinion where expert opinion was obviously desirable. So far as policy is concerned, I wish to make it perfectly clear, that no request of any kind has come from the British government to our government with respect to a single item that appears in the estimates as they have been brought down. Whatever is there is there as a result of what this government feel is necessary in Canada to-day, Canada being part of the world as the world is to-day.
>
> May I repeat that whatever has been done or is being proposed with respect to necessary increases and expenditure to bring Canada's defence to a more efficient standard than at present has been done with consideration for the needs of Canada and of Canada alone.

Mr. Speaker, I have spent twenty years of my public life in criticizing, nay, in cursing compulsory military service. How many times have I not denounced Canada's participation in the last war? How many times have I not inveighed against the unaccountable attitude and the lamentable error of public men of that time, as also against their excessive imperialism and their lack of Canadianism? My opinion and my stand have not changed a whit since that time.

On October 7, 1935, when the candidates came up for nomination at the last general election, I stated that I was utterly opposed to Canada's participation in any extra-territorial conflict. During that unforgettable political meeting, held in St. Martin, in that fine electoral district of Laval-Two Mountains which I have the honour to represent in parliament, a man in the audience asked me what would be my stand upon Canada's participation in foreign wars. My answer was "I will vote against it."

The men and women electors of Laval-Two Mountains have endorsed in no uncertain way my opposition to Canada's participation in any war. In fact, even in my constituency of Laval-Two Mountains so shamelessly gerrymandered in the sordid hope of ensuring the election of my opponent, I was returned with an overwhelming majority. Yet, nothing was overlooked in the attempt to defeat me; they resorted to political literature, to ample election funds, to promises, and even to the distribution of spurious ballots. Therefore, I need not go to my constituents in order to know that they are unalterably opposed to Canada's participation in any foreign war. I will respect the verdict of the electors of my constituency. In so doing, I shall be discharging but a noble duty toward my country. If I were to do otherwise I should be betraying the interests of the people and making myself unworthy of their confidence. Are not Canada's war wounds still far from being healed? The experience of the past ought to be a lesson for our country. The task of recovering

from the unprecedented sacrifices which she has already made is such a heavy burden that the consequences of some other mad venture should not be added to it. If any government, whatever its political creed, wishes to consummate the ruin of Canada, it will encounter the patriotic resistance of a people to whom experience has taught a lesson.

As far as I am concerned, I am not going, in this year of their glorious centennial, to disparage, through my actions, the noble sacrifice of the patriots who brought fame to my constituency. As a descendant of the heroic conquerors of our political liberties, I will never cease to honour their glorious memory. If the patriots of St. Eustache, of St. Denis, of St. Charles, of Upper and Lower Canada had to consider the defence of our territory, and of our territory alone, what stand would they take under the present circumstances? Would they refuse to protect our homes, our families, our traditions, our institutions and the liberties that they have gradually wrested from the shameful oligarchy of their era? But I ask what constitutes our country, our land, our nation if it is not the sum total of the liberties conquered so dearly, if it is not also every man, woman and child of Canada living on the land and by the land of this country. I humbly believe that the answer to this question is the solution of the problem with which we are faced. It is from whence the light will come. I would vainly look for that light in a troubled, nervous, and gloomy world, where I can only find suspicion, doubt and war clouds, and where I hear nothing but machine guns firing, big guns roaring and the deafening noise of armaments. We will find the answer that will shed light on the whole issue only in a peaceful Canada that is faithful to her institutions, her laws, her liberties, her creeds, her constitution.

Should we consent to these national defence increases for the preservation of this peace, the safeguard of our institutions, the stability of constituted authority, the protection of our Canadian people, the defence of our territory, and of our territory alone? Before committing myself to these proposals, I shall wait for the clear, accurate and definite statement of the government whose sacred duty it is to place such unequivocally and without any ambiguity before parliament and the people of Canada. Who could deny it? There are subversive elements now rampant in Canada. An undisguised outcry is heard from certain quarters. It is not very reassuring as to order and peace in this country. Here is a dangerous enemy! This is the one we have to subdue and render powerless if we do not care to find ourselves one day in the turmoil of social revolution and disorder. We need more than inoperative laws to crush down these dangerous agitators, these trouble-makers. A penalty is necessary. I easily believe that the government is determined to preserve peace, order and good government in Canada. It is a sacred duty on their part to organize the protection of their nationals and of our institutions. No authority has the right to evade the primary responsibility of suppressing any attempt made by unruly elements to undermine constituted authority. There comes a time when persuasion is of no avail in the checking of the unlawful movements of certain extremists whose object seems to be to smash, demolish and destroy everything. The sentiment of the law-abiding and peaceful population has been aroused. Important municipalities have increased their constabulary. In the United States, the recent strike at the General Motors plants necessitated the calling out of the National Guard. During the deplorable floods that occurred in the great neighbouring republic, the American army rendered valuable services. But this was on American territory and for the sole benefit of the republic as well as to the exclusive advantage of its population. Should these happenings justify our national defence increases? I will answer that at the proper time.

In conclusion, Mr. Speaker, I might add that an important section of the Canadian population will strongly object to these national defence increases, unless a considerable part of these estimates are designed to provide work for the Canadian citizens. It is far better to give the people an opportunity to work than to maintain the depressing policy of direct relief. Under the late administration, direct relief has drained more than $600,000,000 from the national treasury. Lastly, after considering all the reasons brought forward in this house for or against the defence increases, I shall cast my vote in the best interests of my country.

Before taking my seat, I wish to say to the imperialists and the imperialistically inclined: Mind your own business. Canada is now a nation enjoying freedom in her internal as well as her external affairs. The Canadian people will not heed your advice or counsel. Greater and more enduring than the strength of armaments, the doctrine that finds its expression in the great commandment of charity should be the ideal of nations. The more nations drift away from this doctrine, the more they will sink into the quicksands

where shall perish all civilizations born of hatred, rivalry and antagonism between races and generations.

Another word before concluding, and I should like every representative of the people to know its significance. Down with Canada's participation in foreign wars! Let us remain unalterably attached to our soil, and develop our unbounded natural resources. Let us reduce the war taxes that still burden our people so heavily, and wipe out our national debt. Let us keep our young men at home and give them work to ennoble their lives. Let us vote money for agriculture that has helped to feed the allies during the last war. Let us again make use of our farmers whose courage has never faltered. Thus a peaceful happy and prosperous Canada will constitute an appeasing example to the other nations and her influence will shine on the rest of the world. By way of final statement, may I say that I will oppose any increase in the national defence estimates until such time as I am convinced that they will never be used towards Canada's participation in foreign wars.

Mr. J. C. LANDERYOU (Calgary East): I agree with the Minister of Defence (Mr. Mackenzie) and others who declare that Canada must be prepared to defend herself, that she must have national security. However, national security cannot be secured simply by the building of armaments. We must establish economic security in Canada, for in my opinion we cannot have national security without first achieving economic security. It would appear that the improvement in world conditions is mainly due to the enormous expenditures, estimated at over fifteen billions of dollars, on armaments. It is indeed strange that a world rich in real and potential production should be passing through such a depression, during which millions of people are unemployed, millions more living on the borderline of starvation, and various social and economic institutions being undermined simply because there is no money. In Canada we have a million unemployed. Our factories are slowed down; our expenditures on education and health facilities are being restricted, and many of our municipal and provincial governments are practically bankrupt. We have no money for this; we have no money for that. The world over—

Mr. FINN: Mr. Speaker, may I ask the hon. member, where does he get these facts?

Mr. LANDERYOU: Which facts is the hon. member referring to?

Mr. FINN: The facts that the hon. gentleman just related to the house.

[Mr. Lacombe.]

Mr. LANDERYOU: These facts have been stated by the leader of the opposition (Mr. Bennett). He said that approximately fifteen billion dollars have been expended by various governments on war preparations.

Mr. FINN: Then I would invite my hon. friend to ask the leader of the opposition if he concurs in the statements of the hon. member.

Mr. LANDERYOU: I believe the leader of the opposition will confirm the statement I made.

Mr. BENNETT: Yes; I think that was what was reported, and I got it from a credible source.

An hon. MEMBER: Where is the reporter?

Mr. LANDERYOU: Where does the money come from to send men into the bowels of the earth to take out the minerals which are sent into the great smelters and from there to huge factories to be turned into instruments of destruction? I am looking forward to the day when the labouring population of the world will refuse to go into the mines or the forests or the smelters or the factories to turn out instruments of destruction or, as they are sometimes called, armaments of defence. I am looking forward to the day when billions of dollars will be put to work to facilitate production, from our natural resources, of all the things that civilized men and women to-day require—automobiles, electrical equipment, pleasure ships, et cetera, rather than destroyers, bombers, machine guns and anti-aircraft guns. We hear the statement often repeated that Great Britain and Canada are strongholds of democracy. I believe that Canadians have as much liberty as any people on earth, but we have not yet achieved complete democracy. The democracy we have in Canada to-day is being steadily undermined by self-seeking autocrats.

I am supporting the amendment because in my opinion we should not provide for the building of battleships and the construction of guns until we have at least adequately provided for war veterans and their families and have taken more definite steps to provide for the millions of unemployed and underpaid workers. I am opposed to borrowing money for war purposes. The people of Canada are tired of the debt pyramiding which has taken place in the past, and which has brought about chaotic conditions in our economic life. The government must finance the building up of armaments without creating further debts in this country.

Mr. FINN: What battleships are being proposed to be built in Canada or for Canada?

Mr. LANDERYOU: My hon. friend knows that they intend to build some ships in Great Britain.

Mr. FINN: What have we to do with that?

Mr. JOSEPH JEAN (Mercier) (Translation): Mr. Speaker, I think that the importance of this debate has been exaggerated. The militia estimates on which it is based are not in themselves very alarming. Ten or fifteen millions added to our national defence appropriations will not be sufficient for us to save the British Empire, nor even Canada if she were attacked, and the increase in these estimates is not likely to draw our country into a war.

This question of reorganizing our national defence has been arousing public opinion throughout the country, and, in fairness to those who have felt compelled to protest against the policy of the government in this matter, I think that we must at least consider their criticisms and dispel their legitimate fears. The horrors of 1914-18 are still so vivid in the mind of every Canadian and the mortgage placed on our country is still so heavy that we cannot see without fear any tendency toward militarism, slight as it might be. Consequently I do not blame those who availed themselves of the opportunity to warn us against the renewal of such a tragedy as the last war and its effects. I do not question their good faith nor their patriotism and I like to believe that their criticism is not intended to conceal mean and petty political tactics, but on the other hand I might say to them who sincerely fear these defence increases that they also must believe in our sincerity of purpose and that our love for our country is as real as theirs.

I represent in this house one of the largest electoral districts of our dominion. The voters have clearly placed their confidence in me at the last election. The population of that constituency is essentially Canadian and unequivocally devoted to the interest of the country. I would betray their confidence, I would be unworthy of their trust if I were to take on this question, or on any other issue for that matter, a stand not clearly and simply Canadian. But I would also fail in my duty to my constituents if, for the sake of a few more votes at the next election, I were not to do the proper thing and what I consider to be in the best interests of my country, or if I were not to follow unhesitatingly the dictates of my conscience in the matter of responsibilities.

After all, is there anything very alarming in these militia estimates? The only justifiable fear that has been voiced so far, at least if I may judge by the representations made to me and by what I have read in the papers, is that we might be drawn, directly or indirectly, into future wars on the battlefields of Europe, as some would say, or in wars outside this continent, as others would put it, and that our foreign policy might be dictated to us by London or by a foreign nation.

Mr. Speaker, I will go further in expressing that fear. In so far as I am concerned, I do not want to see Canadians drawn into any war, domestic or foreign, of any nature whatsoever. War is a tragedy which does not benefit the belligerents and which should be looked upon with loathing and shame by anyone who prides himself on being civilized. But there is a vast difference between that and declaring that we must give up all preventive measures and any national defence organization.

I will not admit, either, that the defence policy as presented to us by the government necessarily implies in any way our future participation in a foreign war. Whether we are equipped for war or not, should the people of Canada decide, in a moment of aberration, to take part in a foreign war, or should our territory be invaded, Canadians would be forced, as they have been in the past, to give their blood and their money in order to enforce such a decision or to repel the aggressor.

Moreover, should Canada participate in any foreign war, an event which I neither anticipate nor desire, it is not the army we are now equipping which would take the greatest part in that war, since that army is organized for defence purposes, and solely for defending Canada. Consequently, we are not asked today to decide if Canada will take part in a war or not. If such were the case, I would not hesitate to answer in the negative. The only problem facing us as a result of these increases is whether or not Canada should have her own national defence organization.

If someone were to move a resolution for the abolition of the department of National Defence in Canada or of any form of armament, I would be sorry for my hon. friend the Minister of National Defence (Mr. Mackenzie), but I would not be shocked. But if you want to act as an independent nation, if we are to believe—and it is a legitimate pride—that we are a nation, then we must assume all the inevitable responsibilities. There is no instance in the history of the world or in our own time of a single country which has not provided in some way for her

national defence. I do not think either that we can find a doctrine which makes for complete disarmament of a nation, on account of her being opposed to war. Even those who have started revolutions for the purpose of wiping militarism forever of this world, are to-day armed up to the teeth and are always challenging other nations to draw them in new conflicts.

Lenin himself, in the first days of the Russian revolution, published this manifesto to his country, on November 2, 1917:

> We have put an end not only to war but to militarism. We will give the Russian people an opportunity to know the happiness of a peaceful people having given up war and having no regular army.

If we consider the tremendous army which Russia now has, twenty years after that prediction was made, it is obvious that such pacifist and nihilist theories are nothing but empty words used to deceive the people and to make them forget the realities which they must constantly face.

I shall be very careful, Mr. Speaker, not to resort to such theories which bring about results quite different from those that are expected. I have no fear on behalf of Canada, should we organize a modest national army, even though no enemy might threaten us for the time being. On the contrary, I am convinced that such a small army would be a powerful factor of internal peace and one of the best means of developing among our people that spirit of national unity which we all wish to promote in our country. But that objective will only be reached on one condition, and I wish to give at once a warning to those who will be in command of our army, as well as to the Canadian people. The so-called national defence will be truly national only inasmuch as the various elements of our population and the two great races who live in this country are allotted a real and at least an equal share in it.

It is useless to conceal the fact that one of the obstacles to national unity in this country is the unequal division of responsibilities and advantages between the various races. If the province of Quebec looks distrustfully upon the increase in the defence estimates, the reason is not that the French-Canadians are less patriotic than others or that they refuse to assume their share of responsibility as regards the defence of our territory and of our liberties, but they demand the recognition of their efforts, of their sacrifices and of their almost age-long struggle to maintain the integrity of their country, and to ensure its development.

Therefore, if we admit that Canada, as a nation, should have her small army, let all races without discrimination be invited to join its ranks, and especially the French-Canadians who have no other country but Canada which they pioneered. I firmly believe that as long as there remains a parcel of Canadian land to defend, a liberty to safeguard, and an institution to protect in this country, the French-Canadians will make it a point of glory and a duty to fight to the end.

As to the question of deciding whether our army should be equipped in such and such a way, whether we should have a navy, aircraft or war gas, I admit candidly that I am unfamiliar with these proposals. I also do not know whether 10, 15 or 20 million dollars would be excessive or insufficient to complete the organization of a modest national army, and on this point, like several other hon. members, I am reserving the right, when the estimates are taken up, to obtain the necessary information on which to base my opinion.

In short, Mr. Speaker, I fail to see where the increase in the defence estimates amount, in principle, to a declaration of war or to some kind of commitment to participate in foreign wars, which I would strongly oppose, should I be given such an opportunity. But the question is simply to decide whether Canada is to have her exclusively national army and if this army is to be equipped with modern weapons as found in every modern army.

Inasmuch as there is nothing else in view—and we have the positive assurance of the Minister of National Defence that such is the case—I am ready to support, in principle, the policy of the government, knowing that I am fulfilling a sacred duty to my country.

Mr. JEAN FRANCOIS POULIOT Temiscouata) (Translation): Mr. Speaker, I have before me Le Soleil of March 4, 1935, which reports an important speech made in Quebec by the hon. Minister of Justice (Mr. Lapointe) at a dinner tendered to our very good friend the hon. member for Bellechasse (Mr. Boulanger) in March 1935. On that occasion the hon. minister spoke as follows:

> I shall repeat to-day what I have always said in my public speeches as well as in my private conversations, and this is intended especially for the young men who are anxious about reforms and changes: Urge reforms, ask for them but do so from within the ranks of the Liberal party which alone can carry them out, and not from without, that is in these new groups which cannot but divide the Liberal forces.

Mr. Speaker, I am glad to be able to put on record this statement which is quite in conformity with the Liberal principles as we all understand them. The discussion which has taken place to-day shows clearly that in

our party we still enjoy the freedom of speech which was so dear to the old Liberals and which nobody can take away from us so long as the Liberal party will be worthy of its name.

The question that we are now discussing is a very important one and deserves our best attention. As usual, I would like to deal with it in a cool and moderate way.

Mr. MARTIN: Hear, hear.

Mr. POULIOT: There is one thing which has not been mentioned and which is very important, at least for the purpose of disposing of it, and that is what is commonly called red tape. If there ever was a department where red tape is in vogue it is in the Department of National Defence. I have before me an historical document of the utmost importance, namely, the 92 resolutions of 1834. The 45th resolution ends thus:

> . . . listening rather to the governors and their advisers than to the people and their representatives, and shielding with their protection those who consumed the taxes rather than those who paid them.

In other words, in this year of grace 1937, which is the anniversary year of 1837 when the Canadians had to rise in revolt—and your ancestors were among them, Mr. Speaker,—to protect themselves against bureaucracy, this same bureaucracy is now more powerful in Ottawa than it was then. Since a century we have gone backwards. It is time to bring bureaucracy to order.

I always made a distinction, Mr. Speaker, between a real soldier and an actor. A real soldier is one who fought on the battlefields, but an actor is one who kept hiding twenty miles back of the front lines, or in England, or in Canada.

Such a man, Mr. Speaker, has no right to call himself a soldier; he is a common actor and perhaps he can deceive someone . . . I remember having seen and heard Sir Herbert Beerbohm Tree, one of the greatest actors of England, in the part of Cardinal Wolsey. His presence was imposing, his dress compelled respect, and he had a wonderful appearance, but nevertheless he had never been a prince of the church; he was only an actor. Mr. Speaker, we can apply the same comparison to all those who wear a military uniform and who have never gone to war. Once again it is not the cowl that makes the monk.

There is one thing that surprises me most and it is the statement that has been made in Montreal the day before yesterday by an honorary lieutenant-colonel. I have here a clipping from the Montreal Gazette, and I see in the second section of that newspaper that Honorary Lieutenant-Colonel Ward C. Pitfield stated that the members who ridicule these furbelows were crazy. Well, sir, this individual who sold almost $50,000 worth of paints to the Tory administration in 1932 has a good war record. He did fine service at the front, and earned there his rank of captain, but he bought his title of honorary lieutenant-colonel. To-day he is surprised when we reproach him with making a show-off of a title which he bought. Personally, I am wondering why he should put more value on what he bought than on what he actually earned. That reminds me of the man who got his head shaved and who thought that it was far more stylish to wear a red wig, and also that other man who had all the good teeth that Providence had given him, pulled out, to have false teeth instead. Mr. Pitfield prefers the artificial to the genuine thing. He would rather have what he bought than what he earned and to me that is extraordinary.

I shall ask you, Mr. Speaker, to call it six o'clock, and I shall resume later.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. POULIOT: Mr. Speaker, before six o'clock we were talking about red tape. What is it? We find a lot of it in one of our most interesting publications, The Canada Gazette. I have in my hand several numbers of that valuable publication, and I am very much surprised to find that half of them are used in printing notices for the Department of National Defence. We have no army; yet we hear so much about it in this official publication.

I now hold in my hand the last number, and find in it a great deal about the staff of the Department of National Defence. It always speaks about promotions—prosperity in the Woods building. Promotions and other matters take up three pages and a half, in small text. Then there are general orders. They are easy to see, with titles in big, black letters. Then there is organization, disbandment, localization of units, and a lot of letters. These always come from H.Q.—headquarters—and refer to orders in council. Then there is more about promotion.

The number issued prior to the last one was just as interesting. In it we find a lot about the Department of National Defence, when it speaks about cavalry, infantry and

everything else. It is most interesting to read that, sir, and most important for the state to have all these promotions. Then, turning to the issue of January 30, we find some more stuff. Oh, yes, we find general orders again. These people in the Department of National Defence cannot learn warfare. They must be trying out their penmanship all the time. Everybody in that department, from the chief of staff to the last appointed stenographer, must also be a typist. We hear a lot about that—most foolish; most stupid—and it continues like that.

This we call red tape. What is red tape? Red tape consists of a lot of formalities carried out just to show the importance of the one who performs them. Red tape is useless, but it is made use of for a purpose. It is carried out to show that the man who executes the formalities is the only man who could do this so well. In the civil service my experience has been that the simplest things, the easiest to understand, are made the most difficult in order to show the ability and the wonderful genius of an ass. Hon. members laugh, but that is the case. Let us take the fellow who is stupid, and who cannot do anything well. He says, "I will make myself important." Then he assumes a solemn air, and attempts to convince his minister that he is the only being on earth who can do a certain thing. Sometimes he is believed; sometimes the officials do not see the ears of the ass. There is a lot of that, but I shall not insist upon it.

This is red tape. It is useless. I am sure the hon. members who moved and seconded the amendment know more about it than I do because they were in the army for a long time. It is perhaps because of that experience they have expressed themselves so eloquently in the matter of national defence. There are good men in that department. I know some who are very able, and I respect them because I am not a socialist or a communist. I am not against the army; the army is a very good thing; it is a necessity. But it should be an army, not a joke. Distinction should be made between the good and the bad.

Let us see the doubtful ones. Gentlemen, I happened to glance at the November issue of Seaports, from Surrey, England, and in it I saw the picture of a jovial beef-eater, Major B. D. C. Treat of Surrey, England, who arrived on the Antonia on October 4. It states, "He will spend some time in the Department of National Defence in Ottawa." I wonder how many notices he has drafted to be printed in the Canada Gazette. He has not stayed here long, but there is reference to him in Hansard, and I am not going to read all that I have before me. What surprised me was that the Department of National Defence knew very little about his military experience. I asked the following question:

What was he doing in England before coming here?

And the answer:

From February 16, 1933, to December 31, 1935, officially listed as major instructor in gunnery, coast artillery school, Shoeburyness, England; otherwise unknown.

Then, the next question:

Previous to his coming here did he visit other parts of the British Empire, and if so, (a) in what capacity, and (b) where?

And the answer is:

Not known—but it is presumed that he did not.

The Minister of National Defence (Mr. Mackenzie) is a serious man, and a friend of mine. I am very much surprised that he did not get more information about the illustrious Major B. D. C. Treat who came from Surrey, England, to share his knowledge with the bloated colonials. But there is more to it than that. After having looked at Seaports, that wonderful weekly, I glanced through the telephone directory of the dominion government, and saw the numerous branches listed under the Department of National Defence. I had a hearty laugh, inside me of course, because I was alone at the time. Then it occurred to me that I would ask for information about people in the department who were real soldiers, and those who were just acting. At first the apparent length of the question surprised a few members, and I had to explain about the book which had given me cause to be a little curious about the matter, and to put my nose in the Department of National Defence; I hold it now. Sir, listen to this: This is a resumé of sessional paper 160 reference No. 41, tabled on February 10.

It reads:

War Records of N. D. Department Staff

A questionnaire by J. F. Pouliot (Liberal, Témiscouata), as to the actual war experience and place of birth of the staff of the Department of National Defence was answered in a return tabled in the House of Commons yesterday by Secretary of State Rinfret.

Mr. Pouliot divided his classifications into those thirty-seven years and over, who served in an actual theatre of war, twenty miles behind the lines, in England or in Canada.

I wanted to be fair to those who were too young to enlist at the time of the war. I wanted to be fair to the younger men employed in the Department of National Defence. I did not want to be hard on them.

The article continues:

He learned there are 95 officers and 215 other ranks in the department 37 years of age or older, and 34 officers and 377 men younger than 37. Then, dealing with those 37 and over, he found there were 68 officers and 119 men who had served in the line in an actual theatre of war; 4 officers and 9 men who had been stationed farther than twenty miles behind the fighting line; 9 officers and 18 men who had been stationed in England; 14 officers and 60 men who did not leave Canada on active service overseas.

Of the total departmental staff, 92 officers and 345 men were born in Canada; 37 officers and 246 men were born outside Canada.

At the time the return was tabled, one had gone home, which made it one less.

Could we not have Canadians filling, not only the humble posts but the more eminent positions in the Department of National Defence? I am proud of my fellow citizens and I believe that an English or French-speaking Canadian is just as good as an Englishman from the old country. I am very much surprised to find that after so many years since the British officers and men left this country Canada has taken a step backwards. We find that one-half of the staff of the Department of National Defence is made up of men who are not Canadians. These figures have nothing to do with the non-commissioned officers as another return to be tabled later will cover those men. I wonder whether among those who stayed twenty miles behind the fighting line or those who, while serving in the Canadian army, stayed in England or Canada, there are not some who did so in order that they might avoid going to the front ? I shall have more to say about this later on. I want to know if there are cowards in the Canadian army, if there are in the department men who have done their best to stay away from the front.

There are not only those in the Department of National Defence who have not had practical experience in war; there are others who are on parade as honorary colonels and honorary lieutenant-colonels. The list of these officers is tremendous, and many of them are honorary colonels of three regiments which have been disbanded. One man has been praised by the leader of the opposition (Mr. Bennett) just as though he were dead. This gentleman is a general and has been knighted, and I wonder whether he is praised because of his title. I am very much surprised that the 87th regiment of Calgary is not a disbanded regiment. I have many more particulars I could read, but I shall not do so at this time.

This strikes me as being a great joke at the expense of the people and at the expense of our dead. These men take advantage of their wealth in order to parade in a uniform which they were too cowardly to wear during the war. I do not blame anyone for not enlisting; every man is free either to join the army or not to join, but when a man wears a uniform he should have more behind it than the fact that his bank roll is fat. A man has no right to parade like an actor in the uniform of an honorary officer. I am not being personal about this matter as my remarks apply to every one of these honorary colonels and honorary lieutenant-colonels, whose names appear on this official return of the House of Commons. It would be just as easy to have a drum-major twirl his stick in front of a regiment as to have it led by an honorary lieutenant-colonel. At one time there was a crank who used to cover his chest with tin in the belief that he was an emperor. The same thing applies to these honorary colonels and lieutenant-colonels—they are just covered with tin.

There is another marvellous matter to which I should like to refer. The previous government decided that those who fought in the armies of the countries allied with His Majesty during the war were entitled to preference over Canadian citizens when being considered for civil service positions. I asked if the government had any information as to whether those countries which were allied with His Majesty during the war gave the same privilege to Canadian citizens in connection with their civil service. Was the answer yes or no? It was worse than that; it was "no information." When the previous government was in power, the Secretary of State of that time (Mr. Cahan) submitted to the house legislation which gave preference to those who were not our fellow-citizens simply because they had fought in the armies of countries allied with His Majesty. That was pretty hard to accept.

I now come to something delightful, something which is like an oasis in the desert. If there is one decoration which is not the cover of a can, it is the efficiency medal. Is that not delightful—efficiency? It is an American word, signifying one who is efficient, who is able, who has in his hand the key of success. One who is efficient is worthy of confidence, of approval, of respect. So let me quote from our esteemed contemporary, the Ottawa Journal. It announces in its issue of July 11, 1936, "Military awards in Ottawa and district." Mr. Speaker, be careful! Mr. Clerk —I cannot address him, but he must be careful; so must the assistant clerk, lest they fall from their chairs. Listen, and be careful!

The efficiency decoration is bestowed by this government on various men. And who is the most efficient man in Canada?

> The Right Honourable R. B. Bennett is among the many Canadians receiving military decorations in a list made public on Friday by officials of the Department of National Defence.
>
> Mr. Bennett is honorary colonel of the Calgary Highlanders and has been awarded the Canadian efficiency decoration.

There is efficiency! I never knew that before, and I am surprised that the right hon. gentleman does not wear his medal and does not carry with him all his degrees of LL.D. honoris causa.

What is a medal? The great Napoleon has said, "C'est avec des hochets qu'on mène les hommes"—a great saying of a great emperor who had a deep knowledge of the human heart. I shall never forgive the Minister of National Defence for having pinned that efficiency decoration on the lapel of the leader of the opposition. But time flies; let us speak about efficiency. There are also other efficient people. Last year I drew the attention of this house to the fact that if Colonel Steel had been returned to the Department of National Defence and granted the pension to which he was entitled, he would have had one-half of what he now receives. I complain about that.

Now, with regard to economy. Would it not be better to return General McNaughton to the Department of National Defence at a pension of $4,800 a year and replace him at the head of the National Research Council by a really efficient Canadian and a very eminent man who has been a benefactor to the race of mankind; I refer to Doctor Banting, the discoverer of insulin. McNaughton receives $15,000. His salary should be reduced to one cent. But if Banting were appointed to that position, I would be ready to vote $25,000, $50,000, even $100,000, to permit him to continue his scientific experiments in the interests of humanity. We are not stingy; we are ready to vote money provided that it serves the purpose for which it is voted. I am ready to vote money to rebuild the Moose Jaw armoury which was burned the day before last. It is a useful expenditure. But the objects for which we are to vote must be disclosed to us.

In my opinion this motion is premature, although it serves a good purpose. I find it premature because I want to get some more information about the wide distribution of medals and titles and the real efficiency of the officers and men of the department before deciding whether I shall vote for or against

[Mr. Pouliot.]

the next estimates. I want information. But I will tell the hon. member for Vancouver North (Mr. MacNeil) that his motion has been useful. It has been the occasion of a free exchange of views with regard to the very important matter of national defence. I do not know what I might have done had his motion not been twofold, but as it is, I shall not vote for the program of the Cooperative Commonwealth Federation until its leader answers the fifty-five questions that I put to him in February, 1933.

I have only five minutes more, and I shall try to use them as well as I can. We have been told that communism is a menace to this country. I do not know that we are entitled to go as far as that. It may become a menace if we continue to give absurd salaries to some members of the civil service who do nothing, when others who work are not well enough paid. Take, for instance, McNaughton's salary of $15,000 as head of the National Research Council; it is a provocation to those who suffer hunger; so is the salary of MacBrien, and so are other salaries which are in excess of $10,000. There should be a reduction in that regard, with the exception perhaps of the chief justice. I do not know of any civil servant who is worth more than $10,000. Not only that, but some others have recourse to tricks in order to increase their salaries. They do not have a flat salary of $15,000, they have apparently $10,000 or $11,000 or $12,000, and they have also some other gratuities or bonuses. That is a shame.

I do not wish to see the federal government carrying on the fight against communism. Why? Because it is the duty of the provinces to do so. It is the obligation of the provinces to maintain order within their borders. Therefore I am much concerned about the intrusion of the dominion government in provincial business, and the more so because to-day I have heard the leader of the government (Mr. Mackenzie King) express some opportune views regarding the distribution of taxes in order that the federal government, the provinces and the municipalities should remain within their prescribed limits and be independent of each other.

Great dangers result from distributing money too freely. Our votes would not be so high if Fullerton had not received $30,000, and if Hector Charlesworth had not been granted $6,000 purely as a gratuity, which he did not deserve. Either those two men were competent or they were not. If they were competent they should be in office now; they should not have been put out, and if they were incompetent they were not entitled to

any award at the expense of the taxpayers. This matter is very serious, as we all know, and for my part I am ready to do anything that is essential for the defence of the country. But if there is an increase in the estimates, I do hope that when any member recommends an honest citizen of his constituency who desires voluntarily to enlist to defend the country, the doors of the Department of National Defence will not be closed against him and that he will have an opportunity to serve his country, especially when there are people from outside receiving fair salaries and bonuses while our own people are on relief. This should stop at once. The Department of National Defence, before being reorganized, should be ventilated; the windows should be opened and the cobwebs brushed away, and there should be a general clean-up in the department to show that bureaucracy is about to die. There are enough good soldiers in the Department of National Defence; let them use their guns to kill bureaucracy and they will serve the country very well.

Mr. SAMUEL FACTOR (Spadina): I hope the hon. member who preceded me will pardon me if I do not follow him along the same line. I do not possess his fluency of speech or his sense of humour, nor am I industrious enough to make such an analytical research in the National Defence department as he has done. But may I say in a word that perhaps the officers of our Department of National Defence compare very favourably with the officers of departments of national defence of other countries.

In the last few days I have received hundreds, yes, literally hundreds of communications from my own constituency opposing the increase in the estimates of the Department of National Defence. Let me give a sample of the literature which I have received from my own constituents. This morning I received postal cards a sample of which reads:

> As a citizen in your constituency I urge you to oppose any increase in military expenditures.

I may say for the information of the house that I have tried carefully to peruse the names signed on these cards, and I can assure hon. members that the great majority of the communications come, not from communists or wild-eyed radicals but from responsible citizens. The majority of them come, not from men of foreign origin but from men of good Anglo-Saxon stock. I have also received a number of letters from ministers of the gospel, professors of the university of Toronto, students, women's organizations, and presidents of home and school clubs, all opposing the increase in the expenditures of the Department of National Defence, looking upon it as a preparation for war, as an entry of Canada into a race for armaments of war. This is all very disturbing and confusing.

Possibly because of the influence exerted by a depression psychology it is the easiest thing in the world at the present time to foment the public mind into a frenzy to look upon problems not in their true perspective but from an extreme standpoint, and I assume that if I were following the line of least resistance I would stand here and utter a strong indictment against the government and the Minister of National Defence (Mr. Mackenzie). If I wanted to curry political popularity in my own constituency, and particularly in certain sections of my constituency, I would strongly condemn the government. Furthermore, if I were of opinion that the increase of a few million dollars in the estimates of the department meant the entry of our country into a race for armaments, meant the imitation of some of the European countries in their mad race toward war; if for a moment I thought that the increase in the estimates meant the precipitation of our country into a European war, I would not hesitate, party allegiance or not, party loyalty or not, to rise in my place in the house and condemn the government for increasing the estimates.

But let us analyze the increase for a moment and see what it does mean. I strongly deprecate the great confusion that has been created in this debate. I deprecate this full-dress debate because it has led merely to a confusion in the public mind. For instance, this afternoon we heard some admirable speeches condemning war. Let me ask this house: Is there an hon. member who will not agree wholeheartedly that war is cruel, brutal and futile, that war destroys not only the vanquished but the victor as well? Is there an hon. member who will not agree that an enormous economic loss amounting to billions of dollars was incurred in the last war and that there was also enormous loss of life among our own Canadians, the flower of our manhood being destroyed, sacrificed on the altar of war?

I believe the opinion is unanimous that Canada should not be entangled in any kind of war. I hate to visualize the next war. Let me read a short paragraph from an address delivered in Toronto by General Pouderoux, a famous French soldier. He says:

> The social consequences of a new war would be absolutely catastrophic. They would bring belligerent nations right back to savagery without any accompanying profit to neutral nations.

who in turn would have to defend themselves against an infection of world wide corruption, similar to any other contagious epidemic.

In this world of shattered nations, demoralized and deprived of all their resources, the peoples of the earth would fall into utter misery and utter barbarism. Their place in history would be like that of the mutilated veterans and beggars in our own nation. They would have to live off the neutral countries who could not very well refuse to keep them from actual annihilation.

Any political regime which contributed to the outbreak of war itself or was not sufficiently energetic in opposing it would not be able to stand against popular movements born of discouragement, indignation, terror or the profound distress of the civilian population. In any future war involving, as it would, non-combatants as well as combatants, governments would have to reckon with the probability of violent and sudden popular disorders. An iron rule imposed by the sheer gravity of events, and by the difficulty of distributing food supplies, would have to be hastily set up in the general chaos of terror and misery.

Mr. DOUGLAS: Does the hon. gentleman tell the house that General Pouderoux favours armaments as preventing the thing he depicts?

Mr. FACTOR: No; General Pouderoux does not favour any armaments or any war, nor does any member of this house favour armaments and war. There is not one member of the government, from the Prime Minister (Mr. Mackenzie King) down, who favours armaments and war.

Mr. DOUGLAS: Then why the increase in the estimate?

Mr. FACTOR: Nor does anyone favour the present condition of the world. We are living in a crazy world, a world in which established things and institutions are being upset. I certainly do not favour armaments of war, any more than I favour the dictatorships of Hitler or Mussolini or Stalin. I do not favour armaments of war because armaments of war lead to war. If I thought for a moment that the Prime Minister of this country and the Minister of National Defence are foisting upon this country a policy of armaments of war, I should be the first to rise in my place and oppose that policy. But, knowing as I do the contributions that our Prime Minister made to the promotion and development of industrial peace, knowing the contribution that he has made to the improvement of social and economic conditions, knowing as I do the experience that our Minister of National Defence had in war, I say to hon. members that these two hon. gentlemen are the last persons on earth to foist a policy of armaments of war on this dominion.

I am as much an idealist as the hon. member who interrupted me. But I am sorry to say that we are not living in an idealistic world at present. I deplore, as I said, the dictatorships in Europe; I deplore as well the fact that in our own country race hatreds are being created and fomented. I deplore the general instability of the present time. But we must face facts. We live in a realistic world. I do not for a moment consider the increase of $13,000,000 in the estimates for national defence a preparation for war. Let me ask hon. members; let me ask the mover or the seconder of this amendment—and I am not doubting their sincerity—are they prepared to advocate the total abolition of the Department of National Defence? Would they be prepared to say that this country under present world conditions should not vote a single dollar for national defence? Certainly not. Let me ask them then. If we are to have some policy of national defence, why not have an adequate policy? We must remember that we are not living in the horse and buggy days of twenty-five or thirty years ago. Business, agriculture, science have progressed; in every sphere of business activity we seek to use the most modern methods. So my argument is that if a policy of national defence is necessary, in all common sense let us have an up to date policy. Let us have equipment which is modern and fit to cope with eventualities which we may have to face. Modernizing our present equipment is the purpose of this increase. I cannot see why it is called an increase or an expansion of our national defence; it is simply for the purpose of modernizing our defence equipment and bringing it up to date. Its purpose is to provide modern aircraft equipment and some naval equipment. If world conditions improve, and if in a year or two from now we can attain to that idealistic state of peace among all men, the $6,000,000 worth of equipment for our aerial defence can easily be converted to peace-time purposes. The hundred or so aircraft can easily be converted to peaceful uses, providing for an effective transcontinental air service across Canada.

Mr. DOUGLAS: They will be out of date then; new ones will have to be built.

Mr. FACTOR: Well, if we have to build new ones we shall build them. The major portion of this $6,000,000 is for the construction of modern aerial defences. Let us have at least sufficiently equipped defences, and for this I have to take the word of our own minister and of those qualified to know, that

the amount voted will bring into being a small, compact but effective machine which will be able to defend Canada—yes perhaps, if necessary, to cooperate with other countries of the world in time of peril and of need. I deplore the necessity of even talking about ammunition and anti-aircraft guns and war equipment, I should like to see the old prophetic dream realized, that men should beat their swords into ploughshares and their spears into pruning hooks. Unfortunately at the present time we are not living in such idealistic days. Would any hon. member tell me that if we wiped out entirely our vote for national defence, this would in any way promote international peace, would in any way encourage these mad dogs in Europe to pursue policies of peace? If we scrapped every bit of equipment contemplated in the present estimates, would this in any way give a lead towards international peace? If I thought it would I should be the first to say so. We have to go through this period of transition. As mentioned by other speakers, in this world at the present time it is not merely nation conflicting with nation, there are two ideas clashing. As far as I am concerned, as a Canadian I stand ready to defend those democratic and free institutions which are so near and dear to my heart against dictatorships. I am ready to maintain in the British Empire at least those institutions which make no distinction between class and class, between race and race, between religion and religion, those institutions which do not oppress minorities, which do not de-class people because of their religion or their race. I am ready to defend those institutions because it is only through them and only by readiness to defend them that we can hope to attain that ideal which Tennyson envisioned, in which—

> —the war drum throbb'd no longer, and the battle flags were furl'd
> In the parliament of man, the federation of the world.

Hon. J. G. GARDINER (Minister of Agriculture): Mr. Speaker, when this debate commenced yesterday, it was not my intention to address the house, since I thought in all probability the debate would be concluded before it became necessary for me to be absent from the house for a number of days. In order that there may be no mistake as to my views with regard to this question, however, I think it necessary for me to say a few words at this time.

One reason why I consider it necessary to speak on this matter is the fact that I am Minister of Agriculture in the government of Canada and as such I am at least supposed to be representative of that great mass of people living on the farms of Canada who are looked upon as the most peace-loving people in the country, though personally I may not be as peace-loving as some. In the second place, Mr. Speaker, I am the only member of the government living in that great expanse of territory which stretches from the city of Winnipeg to the city of Vancouver.

I do not pretend to be able to speak for the people who live in that section of the dominion on this or any other particular question for any particular length of time. I know that public opinion in Canada with regard to most questions changes more or less from day to day, certainly from week to week and sometimes very greatly from month to month and from year to year. On a question such as that of war and peace there is perhaps a more rapid change of opinion than with regard to any other question which might be discussed. It would be absolutely impossible for me to tell the house at this time what would be the attitude of the people of Canada if another war were declared. All the circumstances surrounding the declaration of war would have to be known at the time that decision was reached, and in discussing this matter at this time we can consider, only in an academic way, the attitude which might be taken by the people under any condition of war. After all probably that would not get us very much further than some general conclusions with regard to war and peace.

I agree with the hon. member for Spadina (Mr. Factor), who has just spoken, when he says that this is not an occasion upon which to discuss war or the attitude of different members of the house as to the question of peace. We all believe in peace. We would all like to promote peace and to see the world continuously engaged in the pursuits of peace. But most of us know, either from experience or from the reading of history, that it always has been very difficult to maintain the world in a state of peace for any considerable length of time. Perhaps there was no other period in world history when, considered as a whole, the world was so completely at peace as it was during the hundred years between 1815 and 1915. It is true that we had wars in that period of time, but their influences upon the human race were more or less restricted. At the beginning of that period, however, we had one of the great world wars and at the end of the period we had the last great war. If I were seeking for a reason for the lack of great world wars in the period I have mentioned, I might find it in the fact that the North American continent was being opened up largely during that century. Peoples were

able to find an outlet from the more thickly settled portions of the world, where difficulties always arise because of the trouble people have in obtaining the food, clothing and shelter they require in order to maintain themselves.

We are approaching another period of difficulty, and one of my reasons for desiring to speak on this question, coming as I do from western Canada, is a thought that was placed upon Hansard yesterday. Anyone who is a student of composition or of speech knows that the proper place to put the thing you want to put over is in the last paragraph of the composition or the speech. You want to get into that paragraph something that will strike the eye and compel the attention of anyone who reads. On page 891 of Hansard I find these words, spoken by the hon. member for Rosetown-Biggar (Mr. Coldwell), who comes from the very centre of the area of which I have been speaking:

> I am convinced, therefore, that if we in Canada are to progress we must stand clear of this mad race for armaments which can lead only to war. On the other hand, if this house decides that we are going to prepare for war, then I submit that those who believe we should prepare, should bring down proposals which are in line with that preparedness. I would not support them, but I maintain that the next war will be a chemical war, a war of scientists, and under the conditions which are likely to exist, our government, if it is going to prepare for war at all, should do it as economically and as efficiently as possible. Call in the best scientists you have in the country, chemists and others, and let them prepare the most horrible gases they can think of. Let them assemble the most terrible germs of the type the nations will use, and let them prepare adequately for the real war that they foreshadow—

Who foreshadows it?

—in the future. And as for our young men, as my colleague from Vancouver North (Mr. MacNeil) has said, we should care for their physique and health for, after all, in any form of defence we need well-nurtured, well-developed bodies. As far as I am concerned, however, I oppose such war preparations. I oppose war because I do not believe in war, and I conscientiously object to it. But there is another thing that I believe, and it is this: when people talk about the inevitability of war, at any rate let them not say that participation in war is a Christian duty.

Well, Mr. Speaker, if talking about the inevitability of war, the dreadfulness of war and the destruction caused by war will have anything to do with the promotion of war, I do not know any paragraph that could do more in that direction than the paragraph I have just read. No one in this house has said that there is going to be another war or that Canada will be in it. Certainly that has not been said by the Minister of National Defence (Mr. Mackenzie) or by the leader of the government (Mr. Mackenzie King) in any speech he has delivered during this or the previous session with regard to this question. Certainly no other minister of the government and certainly no hon. member on this side of the house has declared he is convinced there is going to be a war, that Canada is going to be in it, or that it is necessary to prepare for it. Why this statement:

> I am convinced, therefore, that if we in Canada are to progress we must stand clear of this mad race for armaments which can lead only to war.

Then the hon. member proceeds to say that if the government is going to prepare for a modern war, certain methods ought to be followed. No person in the house has suggested anything about preparing for war. But in considering a question as important as this, I think we ought to know something about the causes of war throughout the ages. Every hon. member must agree with me when I say that if we look back over the pages of history we shall find that the one inevitable cause of war in the past has been that some people have not had sufficient room in which to maintain homes and families in ordinary comfortable circumstances. Whenever they have found themselves in that position they have sought to find new territories in which to settle their families. Sometimes they have found others in possession, and have attempted to drive them off, with war as the result.

What I want to say in that connection is this: We happen to be a people living in one of the most sparsely settled countries in the world. We are a people confronted with conditions similar to those which prevailed in Europe at the beginning of the last century, over a hundred years ago. We are a people who have had the experience of settlement in the last century throughout the United States, Canada and the South American continent. Yet if anybody goes into western Canada today, or in fact into any part of Canada and talks about taking some of the people from the overcrowded countries of Europe, even though those people be from British countries, bringing them over here and settling them on some of the sparsely settled lands in western or eastern Canada, the first people to complain are the group to which the hon. member for Rosetown-Biggar belongs.

In that connection I want to say that if we are going to settle wars, if we are going to stop wars, we must grapple with them at their source, and deal with great world problems which are the fundamental causes of wars. In other words, there will have to be

some movement in the population of the world. The history of mankind has shown that when any race of man, black, yellow, white or brown, is confronted with the alternative of starvation or fighting, it fights. I have no doubt that will continue to be a characteristic of the human race for a long time to come. In other words, if we are going to prevent wars we must think of a solution for problems not only within Canada but throughout the world. We cannot adopt a "Canada First" policy; it cannot be one which is confined to narrow ideals with respect to the trade of Canada alone. It must be a policy which takes in the world, and eventually we shall reach a point where people will think of conditions from a world point of view rather than from the narrow nationalistic standpoint.

There is another phase of the matter about which I think we should say something. In some years out in western Canada we produce as high as 500,000,000 bushels of wheat. In an average year we produce enough wheat to feed 30,000,000 people. Yet in that part of the country we have only between 2,000,000 and 3,000,000 people, and not all those are employed in production. I should like to suggest: It is all very well to say that we have food piled up, and that we do not know what to do with it. After all we can consume only so much wheat in a diet. Even if they made wheat their sole article of diet those two or three million people could eat only so much of it. Whether we like it or not, we could pile that wheat as high as an elevator, go and sit on it all night when the temperature is forty degrees below zero and, although we did not need to be hungry, we would be frozen stiff in the morning, and would be just as long dead as if we had been hungry.

There are two sides to the question. The people in western Canada cannot live on wheat alone. Last summer for the first time I visited the central part of Great Britain, that densely settled strip of country between Liverpool and London, and I realized that those people cannot produce even a percentage of what they must eat. I sat in a room with a young man who had served in the last war. He began by asking me questions about conditions in Europe, and wound up by asking me why I had gone to London in the first instance, instead of coming to Manchester. "Well," I said, "I went there because I thought there were more people in London, and because the centre of government was there." His answer was this: "Do you know you are sitting in the centre of an area which, within a radius of fifty miles, contains more people than are to be found within a fifty-mile radius of any point in the city of London." I said, "I did not know that; I have not studied your geography." "Well," he said, "that is a fact." I calculated in my mind, knowing from what I had heard in London, that there are about eleven million people in London and the district immediately surrounding, and it would seem there is an equal number in Manchester and its immediate surroundings; we must add the great numbers of people in between those districts, and arrive at the teeming millions to be found in that great industrial area. Then we might transfer ourselves to France, where the fighting was done, stand on the monument at Vimy Ridge and look down upon the thousands upon thousands of people in the cities across the plain on which men fought in time of war. We might go up into Scotland and look at the area between Edinburgh and Glasgow; in fact we might go throughout the world and see the great masses of population in the industrial districts, or at the foot of the Himalayas and at the foot of the Alps. We could then come back to this house and talk about maintaining peace merely by saying we are going to keep Canada to ourselves, not only by occupation of it but in matters of trade and everything else. When our friends from the west sitting in small groups want to solve our difficulties they will go over to Europe, pick up some system of quotas, some system of price setting, some system of production of foodstuffs established there in order that men and women may be fed in time of war; they will transfer them into this peaceful country, and in that way try to settle all our problems.

We get too much of this kind of thing in western Canada; we hear it in all parts of Canada. We hear the kind of argument and kind of thought expressed in the last paragraph of the hon. member's speech. I want to say that this kind of argument in western Canada should cease. We should build the future of that country—yes, upon that doctrine of Christian love mentioned, if you like, in the last phrase of the speech, a doctrine which would make room in this old world for the people in some sections of it who are now pressed into such small areas that they cannot exist. That is one of our difficulties.

It has been indicated to us that some things have already been arranged to take care of the future for us. We are told that we need not worry, because the United States is alongside our borders. We are told that we have a great mother country which has always been friendly; that we need not worry, because if she finds herself in trouble we may make up

our minds as to what we want to do. I am one who believes, with Cartier, that the last gun fired in Canada in defence of British institutions in Canada will be fired by a French-Canadian. He asks, "why?" and then he answers his own question by saying, "because they have enjoyed peace, progress and prosperity under British rule in such eminent degree that no change of allegiance could benefit them." That is the reason why people remain loyal to their countries without any coercion. That is the reason why we have a great empire. That is the reason why we are all proud of our empire. That is the reason why we shall be in this empire as long as there is a British Empire to belong to. But this does not mean that there always will be a British Empire if we sit back and say that we are going to depend upon someone else to look after our welfare. Empires are not maintained in that way; institutions of government are not maintained in that way and the ideals in which people believe are not maintained in that way. Ideals, institutions of government and empires worth saving are saved by men and women standing up for the ideals in which they believe and maintaining those institutions along with other people and in cooperation with them.

In so far as the Dominion of Canada is concerned, our future will be in the British Empire. Let us examine our position for a moment to see under what circumstances we would be possessed of the greater independence. Where would we find ourselves with our millions of bushels of wheat in the central prairies, with our cattle on the plains from one end of the country to the other, with our minerals being mined in our mines from one end of the dominion to the other and with our forests turning out lumber products required in all countries of the world; where would we find ourselves with no defences at all in our ports, no mine sweepers on the St. Lawrence or on the Pacific coast, no protection whatever? If Great Britain were at war and we were in a situation of that kind and did not go into the war and we desired to sell her our food, our minerals and our lumber, her ships would have to come to our ports, not ships to carry freight, but her ships to protect that freight; they would have to come to Quebec or perhaps to Montreal, and the first ship that sailed into either of those harbours or into the gulf of St. Lawrence would put this country into war whether we liked it, or not. Either that or every bushel of grain we had in Canada, every beeve we had in Canada and every munition we had in Canada, our minerals and our lumber, would be shut in behind closed doors at the mouth of the St. Lawrence, or at our other ports.

[Mr. Gardiner.]

I doubt very much whether we shall be able to do all that the minister thinks we ought to do with the few mine sweepers he proposes; I doubt very much whether we shall be able to do all that he thinks we ought to do with the few destroyers we shall have; I doubt very much whether we shall be able to do all that he thinks we ought to do with the few aeroplanes we shall have, but at least it is doing something. We are at least telling the world that we shall deliver our freight to the three mile limit. If it is delivered to the three mile line, then no one can say that they must come in after it. If they do not have to come in after it, we shall be in a far more independent position to say whether or not we are going to declare war. For that reason I say that in so far as we as a government are backing up the minister in the position he has taken up to date, we are merely putting ourselves into a position of independence within the British Empire where we can at least talk on an equal footing.

No, it will not be an equal footing, because after all, even when we spend what it is suggested we should spend this year, we are spending only one dollar per capita for every ten dollars they are spending. We are certainly not on the same footing.

Let us proceed a little further. Let us suppose that everybody did stand back and when it was all over, this empire, of which we think so much, was no more. We would have but one choice, if we had provided ourselves with sufficient forces to keep ourselves outside the war, and provided no one would attack us when the war was over, for the time being we could declare ourselves to be an independent nation. But is there any one in this house who believes that would bring our defence costs below what we are considering to-day? Supposing we found ourselves in that position? Every port in the dominion would be open then as it is open now.

One of my hon. friends—I think it was the hon. member for Selkirk (Mr. Thorson)—said this afternoon that we did not need to worry as the United States would not permit anyone to establish himself on the northern half of the North American continent, even though we were in a position where they could come in because of what might have happened to Great Britain. I suggest that that brings us dangerously near to the position in which Belgium found herself at the outbreak of the last war. We would not be allowed, it is true, to leave open the ports on the northern half of this continent; we would not be allowed, it is true, to leave open the ports along the Pacific because they would

be an inlet to this continent. We, as an independent nation, would protect those ports in so far as it was possible to protect them. In order to do that we would have to go a great deal further than we have to go to-day as an associate in the empire to which we belong.

If we found ourselves in that position, what good would it do us to say that we had a great friendly neighbour to the south? The very fact that they were friendly and the very fact that we had neglected our own house would compel them to insist in self defence that we protect that long coast line which has remained unguarded for over a hundred years because of the peace that has existed between us. They would be compelled to take that action in order to prevent other nations which might be dangerous to them securing a footing in this country. That would not lessen our burden, that would not lessen our costs; that would not put us in any better position as a country; that would not make us more independent. Our position then would not be as enviable as the position we are in to-day.

I think I have said sufficient to indicate to the house that I am going to support the estimates which have been brought down by the Minister of Defence (Mr. Mackenzie, Vancouver). If the government of Canada has done anything at all in this matter of which we might complain, I think it has waited just a little too long. I do not intend to be too critical in saying that as we have been going through some very difficult times. Before I rose to speak this evening I was looking through an editorial which appeared in the Ottawa Citizen this morning and which pointed out the costs of that very difficult period. These costs were reckoned in dollars, which are perhaps too material to be the only factor considered, but there is also the human suffering. This suffering perhaps has not been as great as the human suffering during the war, but there has been intense suffering on the part of women and children and most of the men who went to war did so to preserve their women and children from suffering.

We have had suffering since the war. There are difficulties in peace time as well as in time of war; we have experienced many of them in the last few years. But it seems to me that Canada can best hold her head up among the nations of the world, as a great independent nation within the British commonwealth of nations, as a great peaceful neighbour of the United States, as one of the largest food producers in the world, by going on to produce food, by striving to maintain her people in as great security as she possibly can, and by seeing to it that we can deliver our food and other products out at least to the line for which we are responsible. Our function as a people is for the time being that of a great producer of food. And I may say this in conclusion: Food is needed in time of peace almost as much as in time of war. In war you cannot get along without it, and in peace time you cannot exist without it very long. We in Canada have that food in trust. We can satisfy that trust only in one of two ways, either by distributing our production as freely as possible to the peoples of the world and getting in return at least a little more than the cost of production, or by bringing people here to enjoy it with us. Our opportunity to produce food was not given to us for our benefit alone; it was given to us for the benefit of all the world. Mr. Speaker, I shall oppose the amendment.

Mr. OSCAR L. BOULANGER (Bellechasse) (Translation): Mr. Speaker, I have followed with a great deal of attention the present discussion since the beginning, and I have come to a conclusion that must have been arrived at by everybody. There are more points on which we all agree than there are on which opinions differ. For instance, nobody wants war, as we are all hoping for peace. The whole population is against war preparedness and opposed to Canada's participation in any foreign war. Every citizen is against the race for armaments and deplores the loss of human lives and the property damage that has befallen Canada as a result of the last war. Nobody would like to see that occur again; there is unanimity on this point. Public opinion is in favour of Canada having an army and a navy of her own proportionate to her resources. I do not think there is a single person who would like to do away entirely with the defence estimates. So there only remains one point on which the hon. members of this house do not agree; it is the question of determining whether we should include in the defence estimates the same expenditures as last year or spend a little more.

Mr. DENIS: That is all.

Mr. BOULANGER: If I were not a poor countryman who can hardly visualize what millions really are, I would say that we are discussing for nothing, or merely to find out if we should spend $13,000,000 in defence estimates instead of $12,999,999.99.

In fact, we are discussing a question of degree, as to what limit we should go in these defence expenditures, or the amount we can reasonably afford for national defence.

I am not an expert on military tactics nor on questions of national defence; but at the last election, the people of Canada have entrusted the government to men who are supposed to be better informed than I or the other laymen. The Canadian people placed confidence in them for the administration of public affairs and I shall do so also until I am satisfied that such confidence was misplaced. Our present administrators have proven in the past that they were good Canadians, or citizens who had but one thought: that of serving their country. So long as it is not clearly shown that their attitude has changed altogether overnight, I will trust them and continue to give them my support in questions of public administration, of national defence, and when the question of determining what is needed for the efficient protection and defence of our national territory comes up.

I claim that the government, on this national defence issue, is absolutely in the same position as a farmer, merchant or manufacturer who has gone through the depression and who during that period, did his utmost to keep his farm, his business or his manufacture. During the depression, they had to curtail all expenses, effect every possible economy, allow their equipment to depreciate, their stock to be exhausted, and forego all necessary repairs to their farms or buildings. Now that the hard times are over, the farmer, the merchant and the manufacturer will make the necessary expenditures for repairs and maintenance that they were prevented from making owing to depression.

The hon. the Minister of National Defence (Mr. Mackenzie) told us last night that during the depression his department was forced to effect similar costly reductions and retrenchments in the expenses that we all had to make during that period, and that as a result of such economy, our army and navy were in a deplorable condition; also that the time had come to spend vast sums of money in order to re-equip them and place them on a basis of efficiency. The hon. Minister of Defence is only doing what all the owners, manufacturers and farmers will do as soon as the return of prosperity will permit. It is quite obvious that if we were to overlook completely our national defence, do away with our army and navy and the defence estimates, this would entail a debate, as a question of principle would be involved. But I fail to see in this discussion any principle involved, as everybody agrees on the subject of preserving our national defence and in stating that Canada should provide for her own

defence within our means and as necessity warrants.

Since it has become necessary to maintain a Canadian army and navy and to do something towards the defence of Canada, we must act like businessmen, like prudent and good administrators. If we do not spend enough to keep our army and navy in a state of efficiency, the expenditures for that purpose, however slight they might be, will be useless. If we want these amounts to be effective, if we want this country "to have value for its money," according to the commercial dictum, we must spend whatever sum is necessary.

Reference has been made during the debate to the so-called peregrinating imperialists; they have been blamed for all sorts of things, and reproached with having lacked discretion and having come here to meddle with affairs in which they were not concerned. There is only one thing for which they have not been blamed—and perhaps they should have been —it is machiavellism. I am under the impression that these individuals came expressly to Canada for the purpose of meddling with affairs in which they were not concerned. May be they said that Canadians were so sensitive that the best way to have them do what they wanted was to ask exactly for the opposite. Probably their method of reasoning was as follows: If we tell the Canadians that they should organize their defence, that they should do such and such thing for the navy, for the air force, and for the army, it is the best way to prevent them from doing so. Possibly they have been guided by the old principles, so dear to the heart of Englishmen of another era and that present-day Englishmen still follow, that the colonies, or call them dominions—to them it amounts to the same thing—offer a potential supply of raw materials, men and money for the metropolis. And what confirms me in that impression is the account given by the Canadian Press of a speech delivered on February 5 of this year by Sir Samuel Hoare, in which I find the following significant sentence:

> Speaking at a dinner of the Bradford chamber of commerce, Sir Samuel stated the sister states of the empire would find any system of isolated local defence extravagant and inefficient.

This conveys to me the impression that possibly the metropolis is not anxious to see the dominions or the colonies set up their own national defence system. And it seems to me as though the metropolis would probably prefer to see Canada contribute men and money to the mother country in order to assist her in her future wars.

I think, Mr. Speaker, that the best way to destroy that impression which may be in the minds of these gentlemen in the mother country, and to dismiss completely their idea that Canada is just a potential supply of materials, men, and money, would be to set up our own defence, within our territory, and according to Canada's needs and resources. Once our defence is thus organized, should we be asked later for men or some contribution, we shall be in a position to tell the mother country: Deal with your war in Europe as you see fit; we shall look after our own country, our own defence; we shall keep our men and our financial resources for the protection of our own nation; we shall preserve all our national resources solely for the defence of Canada and we will not participate in any scheme of national defence other than by making our own Canadian territory secure.

Mr. Speaker, in the course of this discussion, two small European countries have been mentioned whose position would be similar to that of Canada, namely Switzerland and Sweden. However, there is an enormous difference between the position of our dominion and that of these two countries. Instead of being situated in Europe, Canada, thank God, is in America. But these two other countries are about of equal strength and power with our dominion. Like Canada they are peace loving nations; they have been at peace for over a century; however, just like Canada at the present time, they do their utmost, according to their means, to set up their national defence.

I have read in the Ottawa papers a report of an interview of Mr. Gordon Murray, of the Manchester Guardian, with the social-democrat prime minister of Sweden, Mr. Hansson, for they have a social-democratic government there at the present time. In connection with national defence here is what Mr. Hansson, the prime minister of Sweden, a nation at peace for over one hundred years, stated. The following words are those of Mr. Murray who interviewed the Swedish prime minister:

I remember that Sweden, the land of over a century of peace, was at that moment active with rearmament. At one period in 1936 the Social Democratic party had endeavoured to make a step forward in strengthening the defences, conditional upon a further instalment of social reform. Hr. Albin Hansson spoke freely on this subject, though he gave permission only for what follows to be published: "The question of Swedish defence has now been accepted as a national matter, and on the necessity for its increase all parties are agreed. It was remarkable that at the general elections rearming was not a matter of party controversy. Its need was generally realized. Though the Social Democrats had declared that rearming should be conditional upon an increase in old age pensions, I made it clear that if the people wished for rearming it would be undertaken in any case. So last session the Riksdag passed a great rearming program, and from 1936 Sweden is preparing itself. Like all small countries, we are strongly in favour of the League of Nations and greatly desire its reform. But that is not preventing us from now facing the necessity to rearm."

Has not Your Excellency to encounter any pacifist opposition?

"My party of Social Democrats," the premier answered, "has long had a highly pacifist tradition. But our pacifist is not of the type which is prepared to receive a punch without replying."

Let us see now what was done in Switzerland with regard to rearmament. I find in La Croix, a Paris newspaper, a statement concerning Switzerland's rearmament expenditure. The report first explains that there lies a vulnerable section where the Rhine flows out of Switzerland to enter Germany, and further says:

Berne realized this so well that it decided recently to issue a national defence loan with a view to fortifying their line along the Rhine, which means the whole of their northern frontier. This expenditure is estimated to cost about 200,000,000 Swiss francs, or a little less than a billion in our money.

In order not to frighten the taxpayers, the Swiss government—that is the federal council, whose president, who has just been reelected for the fifth time, is a Catholic from Tessin, Mr. Motta, a man known for his lofty moral attainments, his ardent patriotism, and his administrative ability—decided to issue a first share of the loan to the extent of 80,000,000 Swiss francs. Do you know how this first issue was covered? In the face of an eventual menace the reaction of the national feeling was such that the incredible amount of 330 millions was subscribed in a short time, or 130 millions over what was estimated necessary for the construction of the Swiss "Maginot line." This fact of which our newspapers made but little mention,, is nevertheless a most significant sign of the uneasiness of our friends in view of the European situation, as well as a wonderful evidence of their strict determination to defend tenaciously their traditional neutrality and the integrity of their land.

But there is something better yet. One would be tempted to believe that the Swiss banks, with an ample supply of funds that escaped from those countries where the financial policy frightens the large money interests, have subscribed the greatest part of this first share of the loan. That would be a mistake. A district bank manager, who is particularly well posted to know how this first share of the issue was covered, assured me that the great majority of lenders were small property owners who brought in either 1,000, or 500 francs, and most of them as little as 100 francs.

And now those who oppose this increase in the national defence estimates are asking:

Why should we do it? Against whom do we arm? Who are our enemies? Of course, it is something that it is impossible to foresee. We are arming not against somebody in particular, but rather against anybody. It is impossible to foresee what we shall do with this army that we wish to make more efficient and more mobile. What we can say to our fellow-citizens is that we want an army which is really useful and which we can use in case of emergency. Against whom do we arm? Many of us have an accident insurance policy for which we have been paying premiums since 15, 20, 25 or 30 years. We have not yet been hit by a motor car, and still we keep on paying the premiums. It is impossible to say on which date, at which time and by which car we may be hit some day.

Mr. Speaker, mention has also been made of the protection which we may find among our American neighbours. It was urged that on account of that protection we ought perhaps to spend one or two millions less than the amount asked for by the government for the purpose of modernizing our military and naval forces, in order that they may be more mobile and more efficient. But, strange to say, those who wish to put us under the protection of American imperialism are the very people who most strongly and most constantly denounce British imperialism. They are the same people who charged the former prime minister of the province of Quebec with having sold away the natural resources of that province to the Americans, whereas he simply wanted to attract industries to our country. They are the same people who charged Sir Wilfrid Laurier, in 1911, with betraying his country and seeking to make Canada an adjunct of the United States, simply because Sir Wilfrid Laurier wished to establish trade relations with our American neighbours. They are the same people who, in the last election, and more particularly last year censured the present Prime Minister (Mr. Mackenzie King) and his colleagues, saying that they were betraying their country, their fellow citizens and the best interests of Canada, simply because the present government signed a trade agreement with the United States.

Mr. Speaker, there is an old saying in my part of the country which is perhaps not very refined, but you will pardon me if I quote it. It says: "Whether you are bitten by a male dog or by a female dog, you are bitten just the same." As regards imperialism, I think that American imperialism is not any better, nor any brighter, nor any more desirable than British imperialism.

Of course, Canada is not in a position to maintain a navy or an army powerful enough to defend our land against the great nations of the world, at the present time. It is admitted that we must co-operate with someone else, that somebody must help us; but if we want others to assist us, we should at least show some good will, prove that we intend to defend ourselves, that we are ready to do all we can in that regard according to our means, and that is exactly what we want.

Of course, if the increase of a few million dollars for the purpose of modernizing our army and making it efficient meant a declaration of war, or should we thereby be involved into a conflict, I would be the first to vote against it. But, I would however be consistent enough, I hope, having thus recorded my opposition to the increase in the military estimates, not to give my support to the government immediately after. I do not presume to speak on behalf of the province of Quebec. I am but a humble representative of a rural constituency, with no great fund of experience, but I may nevertheless state, on behalf of that province, that she still remembers what happened in 1911, and is not ready to repeat the error she made at that time and which she has regretted ever since. We know what happened that year. The province of Quebec put the Conservative party in power by voting against the Laurier naval policy. The following year, could those valorous champions, those bold opponents of the Laurier naval policy, those great defenders of the nation, prevent the government of the time from voting a debasing tribute of 35 million dollars to the British navy? Soon after, war broke out, and then came conscription. Have men like Mr. Bourassa, Mr. LaVergne, Mr. Lavallée, who had been returned as a Nationalist member for my constituency, and Mr. D. O. Lespérance, been able to prevent that war? Did they prevent conscription? Did they prevent Canada from disgracing herself to the point of voting a tribute of 35 million dollars to England? No, they never did that.

And if, this year, the province of Quebec were to do the same thing, she would probably be repeating the mistake of 1911, but I do not think this will happen for, along with the rest of the country, she has entrusted the administration of her affairs to men who had and still enjoy her confidence. We are not experts in such matters but the government can avail themselves of the information which experts are in a position to give them. Let us trust the government without haggling over a million dollars more or less for our national defence, for the protection of our homes, and for the safety of Canadian men, women and children.

Mr. Speaker, we are dealing with the defence of Canada, a thing with which we French-speaking Canadians are familiar. For three hundred years, ever since our ancestors landed in America we have been defending our territory. We began in 1690, under Frontenac and d'Iberville, to fight in defence of our country. And I am wondering what we might gain, what advantage we, the oldest Canadians, the sons of those pioneers who lived three hundred years ago, would derive in giving to understand through the length and breadth of Canada that we are no longer desirous of defending ourselves, that we no longer wish to protect ourselves, that we are no longer willing to do anything to ensure the integrity of our national territory.

We began in 1690 to defend our country. We did it again under Montcalm in 1759. And on September 13, 1759, when Quebec fell, while the French regular soldiers were running away, Canadian militiamen engaged Wolfe's army in skirmishes, fighting in the Canadian fashion among the bushes of the Sainte Genevieve hillside. Again in 1775, French speaking Canadians, occupying the Près-de-Ville barricade, under Dumas and Chabot, and the Sault-au-Matelot barricade under Dambourgès, prevented the Americans from taking Quebec, thereby saving Canada for the Canadians.

That gave me an opportunity, a few years ago, of proudly reminding one of my good friends from Vancouver that if the British flag was still waving over the citadel at Quebec, French speaking Canadians were to be thanked for that, and that it was as a result of the defence which those same French-Canadians put up on December 31, 1775, that the Domine salvum fac regem was still being sung in the Quebec basilica. And what our ancestors achieved in 1690, in 1759, in 1775, they did again in 1814, when the "voltigeurs canadiens" under Colonel de Salaberry, hurled back American invaders at Chateauguay. These are historical facts, these traditions are our own, and I am wondering why we, the descendants of those gallant men, should disown our history, renounce our traditions, and for the sake of two or three million dollars more or less, convey to the people all over the country the impression that we are no longer willing to follow the example of our ancestors and stand up against invaders, that we are prepared to lie down as meek victims, and that we rely upon American or British imperialism, upon outsiders or neighbours for our own protection.

Let me revert to the subject of American imperialism; does anyone believe that the American navy and army would defend us out of pure kindness? Does anyone believe that the United States would not demand some kind of compensation for thus protecting and defending Canada? As I was saying, American imperialism is on a par with British imperialism, and if we were to hitch Canada's wagon to the star of American imperialism, the time would possibly come when we might have to help in the expansion of American imperialism in south or central America, and to join in those expeditions, of an economic and financial rather than a military character, described by General Smedley-Butler, whom one of our fellow members quoted this afternoon.

Mr. Speaker, a few minutes ago, I was reading in a magazine an article in which Ralph Connor, an outstanding Canadian writer, tells about a trip which he made last summer in New Zealand, the country of the Maoris. I hope our right hon. friend the leader of the opposition (Mr. Bennett) will listen to what I am about to read; it will probably recall to his mind a speech which he delivered in 1932, during the Ottawa conference. Ralph Connor tells about the struggle between the Maoris and the British, a struggle which did not come to an end until 70 or 75 years ago. He describes the siege of the last stronghold of the Maoris by the British army. The Maoris had entrenched themselves in a kind of camp called "pah" in their language. Here is Ralph Connor's description of that last battle:

> The British general, realizing that he was engaged, not in warfare, but in slow murder, tried again and again to bring the enemy to surrender, offering them fair and honourable terms, but the Maori warriors with their wahinis (wives) at their side to load their muskets, utterly refused to surrender. In reply to a final appeal a Maori chief leaping upon a parapet hurled this challenge at the enemy: "This is the land of the Maoris. For their lands and their homes they will fight on forever! forever!! forever!!!"
>
> "Send your women away then," said the British officer, hating his job.
>
> Immediately a tall and splendidly moulded wahini leaped upon the parapet, and standing beside her man echoed his defy: "For our lands, for our homes, we will fight forever! forever!! forever!!!"
>
> "Why did you not surrender?" asked the British general of a wounded Maori, when the destruction of the pah was completed. "Did you not see how overwhelming our forces were?"
>
> The Maori warrior answered proudly: "That is nothing. This is our land, these are our villages. Men who dare not defend their homes are not fit to live."

Mr. Speaker, it will perhaps be claimed that the Maoris are uncivilized, but they gave vent to feelings that all civilized people ought

to entertain. Those are feelings which I share and which I have most humbly expressed in this house in order to justify the vote I am obviously going to cast against the non-confidence motion that has been introduced.

Mr. CHARLES PARENT (Quebec West and South): I shall endeavour to speak in the language of the majority, but if I feel I cannot bring home in English what I wish to express I shall revert to French, and that without any apologies to anyone. It has been said that no one should sit in this parliament who does not realize that there is no part of the world to-day which is not menaced from without and few parts which are not menaced from within.

Hearing the speeches that have already been made on the national defence estimates now to be introduced, one would be inclined to recall to this august body the geographical situation of Canada. Switzerland, Belgium, Greece and all the other small European countries are situated on the frontiers of the great European powers, and in order to preserve their neutrality and to safeguard their citizens it is necessary for them to keep armies day and night at their respective borders. As to the geographical situation of Canada, it cannot be compared with that of these countries. On the north we are bounded by the Arctic ocean, and no one will venture to say that the Eskimos or the polar bears are a menace to the peace of Canada. Many thousands of miles to the west there is the powerful Japanese nation. To the south of us there is the United States and to the east, 4,000 miles away, the European volcano.

Let us consider the situation from the point of view of the menace from without. Let us deal first with the western menace, that of the Japanese empire. Where and when did Japan ever make a move or utter a word that would justify Canada in preparing against aggression from that country? There is no doubt that the population of Japan is increasing at an astonishing rate and that the time has come for that country to place her surplus population somewhere. Japan has clearly indicated to the world what she wants and where she desires to enlarge her empire. She had the wisdom to attack China, taking advantage of the political situation in that country and of its powerless army. Japan has conquered land as rich as Canada, land of such magnitude that hundreds of years will pass before it is populated by the Japanese people. Yesterday I heard the hon. member for Vancouver Centre (Mr. Mackenzie) pointing to the danger of a conflict between Japan and the United States and the difficult situation in which Canada would be placed in such an event. Well, I shall frankly admit that such a menace does not alarm me. It would be practically impossible to move a large army to that part of Canada, and the Rockies are a natural defence. What is more, there are three nations deeply interested in the future of Canada, three nations which are financially interested in this country to the extent of billions of dollars. These nations are: Canada herself, the United States of America, and England. Up to now Japan in her diplomatic relations has never made a move which would lead us to conclude that there is a real menace from that source. When did Japan ever show signs of willingness to test her power on land and sea against the British Empire, against the United States of America and against Canada—and I might add, against the Russian bear? Moreover it is not with the military equipment contemplated in the present estimates that Canada could ward off the menace of war with a population of seventy millions, with one of the greatest military forces on land and sea.

This leads us to examine from the second angle the menace from without. The United States of America are our neighbours to the south. There are 3,000 miles of border separating Canada from the United States. Needless to say we do not require any Maginot defence line to protect us there. Over one hundred years of peace and good will have done more than any army could do in that respect, and the best thing for Canada is to keep that imaginary line which separates us free from military guards or anti-aircraft guns. And as Canada will keep the present leader of the government (Mr. Mackenzie King) for many years to come, I believe I am right in stating that he can do more by his tact and diplomacy with our neighbour than any army which we could raise and equip, and by the time he will retire, the equipment bought will have become obsolete.

Then I come to the third angle of the menace from without: the menace from the east. Nearly four thousand miles separate us from the countries which might possibly attack Canada from the east. We have heard of the danger of air raids. These might be by airship or aeroplane. An airship would have to fly over France or England, and the speed of such aircraft is such as to make them of little utility in war. They are difficult to conceal and an easy target for anti-aircraft guns. As to aeroplanes, very few have succeeded in crossing the Atlantic from east to west on non-stop flights, and with bombs

aboard I believe such airplanes are a menace more in imagination than in reality. To support this contention I might say that Lloyds of London, the world-famous insurance group, are actually cancelling all insurances against war in every country in the world except in Canada and the United States. If there were any real danger to this country and the United States, why would men of such knowledge and experience not treat Canada as they are treating all the other countries of the world?

As to our navy, it is claimed to be for use on our shores exclusively. Little danger is to be feared there, for to assume such a menace to exist would be to deny the power of England on the sea, and proof has yet to be brought forth to show that Britain does not still rule the sea.

Much more could be said, but I do not wish to take too much of the time of the house. However, I am not convinced that with $14,000,000 we can stop the menace from without, and no one can convince me that we need such an amount to protect ourselves from the menace from within. What is the menace from within? It is twofold: communist agitation and labour trouble. Do we need an army to deal with these two prospective menaces? I think not. If any real danger exists, it is from the communists, and they should be dealt with accordingly. The federal police should be reinforced; the provincial and municipal police are actually being reinforced and should be equipped to protect the property of the law-abiding citizens of this country.

As to labour troubles, I have faith in the ability of the Minister of Labour (Mr. Rogers), by his justice and knowledge of the labour situation in Canada, to deal with these problems with equity and justice to the employees and the employer. Some may say it is not within my province to judge the military situation of my country, that experts in military matters have recommended these expenditures. Well, Mr. Speaker, this recalls to my mind an occasion when I was reading law at the university. One morning I attended an important criminal case being tried before a jury. Six doctors had been called by the crown to prove that the accused was sane, and six had been called by the accused to prove that he was insane. The trial judge, who at one time was a member of a Conservative cabinet, after the witnesses had been heard, said to the jury: "Gentlemen of the jury, you have heard twelve experts, but you are twelve intelligent men, you do not need to believe them." What we need is not a defence expenditure, but to be defended from military experts.

Therefore, Mr. Speaker, I shall vote against the increase in the national defence estimates, because it is my sincere conviction that by this increase of $14,000,000 we shall be just knitting one sleeve of Canada's military uniform, which when completed will have cost Canada millions and millions of dollars. I perform my duty to my country to the best of my judgment and conscience. I regret that I cannot see my way clear to follow my party on this matter. I disagree with my party in regard to the national defence estimates, but I stand with my chiefs on the general policy of the government.

There are precedents for the stand I am taking. I shall vote against the motion of want of confidence in the government as moved by the hon. member for Vancouver North (Mr. MacNeil), for the issue at stake does not justify such a motion. But I shall not support the increased estimates for national defence when they come before the committee of the house, because in my humble opinion it is putting a useless additional burden on the shoulders of the taxpayers of this country at a time when this country cannot afford such an expenditure.

Hon. T. A. CRERAR (Minister of Mines and Resources): It is not my intention to trespass on the patience of the house for any length of time. This discussion, however, is very interesting and important.

I should like to say a few words in regard to the amendment which has been moved by the hon. member for Vancouver North (Mr. MacNeil). This amendment, of course, constitutes a direct challenge to the motion of the Minister of Finance (Mr. Dunning) that this house go into committee of supply, and as such it is a direct vote of want of confidence in the government. If this amendment is adopted, of course this House of Commons changes, but I am certain that will not happen. If that should take place, however, and the hon. member for Winnipeg North Centre (Mr. Woodsworth) who leads the Cooperative Commonwealth Federation group in this house should be called upon to form a government, what would he do? Would he abolish the Department of National Defence in Canada? It is all very well for my hon. friends to criticize and to take a lofty, superior attitude in this house, but what would they do if they were faced with responsibility and with the practical question of what should be done in connection with the defence of this country? A good many years ago, when this country was engaged in

the titanic struggle of the great war, the hon. member for Winnipeg North Centre announced himself as entirely opposed to war. I have no fault to find with that; indeed I may say that I have a great deal of respect for the moral courage shown by my hon. friend at that time. But I recall also that Mr. Ramsay MacDonald, who at that time was the leader of the Labour party in Great Britain, took a similar position. Mr. MacDonald was an out-and-out pacifist during the war. He was opposed to Great Britain entering the war; he was opposed to military expenditures. Well, a few short years after the war he became Prime Minister of Great Britain and his party had the responsibility of government. What was their attitude in their new responsibility? I am bound to say that Mr. MacDonald took a much more realistic view of what was his responsibility while he was in office than he did while he was a member of the opposition without responsibility. I venture to say, Mr. Speaker, that if my hon. friends in the Cooperative Commonwealth Federation party ever come to power in Canada, they will take a much more realistic view of the whole problem of defence in this country than has been indicated in the speeches which have been made in support of the amendment moved by the hon. member for Vancouver North.

No one likes war. For myself I can say that I detest war from the bottom of my heart. I believe I am the only member of this house who was a member of the unionist administration in Canada which was formed to concentrate Canada's energies on the war, and at that time I saw a little from the inside as well as from the outside of what war means to a country. No one wants a war in Canada. It is the last thing that is desired by any person from one end of this dominion to the other. But the fact that we do not want war and that we may detest war with all our hearts does not touch the question of these estimates which are before parliament for consideration at the present time. If I could base my attitude towards these estimates upon my detestation of war I would oppose the estimates, but that is an unrealistic attitude and one which this dominion cannot afford to take at this time. What are the other countries in the world doing? I think perhaps if my hon. friends of the Cooperative Commonwealth Federation party were a little more frank with the country, they would come out openly as a socialist party. Outside this house I have criticized my hon. friends on that score. Their program is one of socialism.

Mr. WOODSWORTH: Hear, hear.

[Mr. Crerar.]

Mr. CRERAR: Advanced socialism.

Mr. WOODSWORTH: Hear, hear.

Mr. CRERAR: I am glad to hear my hon. friend say, "Hear, hear."

Mr. WOODSWORTH: We have always said it.

Mr. CRERAR: But I would say to the hon. member for Winnipeg North Centre that he would be a little more frank and, may I add, a little more honest with the Canadian people if he would state openly that his party is a socialist party. There is no discredit in being a socialist. But what are the socialist parties in the world doing to-day in this matter of defence? I have already cited the experience of the socialist party in Great Britain, Mr. Ramsay MacDonald's experience in both his first and second governments. Though I understand my hon. friends in the opposite corner have not the admiration for Mr. Ramsay MacDonald that they once had, still to-day Mr. MacDonald is a member of a government which has just announced the greatest program of expenditure for defence purposes that has ever been announced in Great Britain.

Mr. COLDWELL: And he is a saddened, broken old man.

Mr. CRERAR: Well, we shall take France, which has a socialist government, a popular front government with a socialist prime minister, a gentleman who has been a socialist all his life, or at any rate all his political life. He is not a broken old man. What is his attitude towards this question? I venture to say that Mr. Blum's government is spending as much, if not more, on defence as has been spent by any government in France since the war. What about Sweden? That is a socialist state, or a semi-socialist state, which my hon. friends hold up to us as an example. What is Sweden doing? That country is off to one side of Europe; it has not been at war for as long as Canada has not been at war, but to-day Sweden is spending two or three dollars for every dollar we are proposing to spend for defence in Canada. So I do not think that argument holds.

Perhaps the real reason for the amendment which has been moved by the hon. member for Vancouver North lies a little deeper than the mere negation of the estimates brought down by the Minister of National Defence (Mr. Mackenzie). As someone has already said, this resolution has two wings. Let me read it:

This house views with grave concern the startling increases of expenditure proposed by the government for purposes of national armament—

If the amendment had stopped there, it would have been clear-cut and understandable. But it does not stop there; it goes on:

—in contrast with the inadequate provision for the social security of all sections of the Canadian people.

From the amendment it seems to me fair to ask this question: If this government had brought down estimates that satisfied the requirements of the hon. member for Winnipeg North Centre and his associates in regard to adequate provision for the social security of all sections of the Canadian people, would my hon. friends be taking the position they have taken with regard to these defence estimates?

Mr. COLDWELL: We would be glad to get $14,000,000 towards that end.

Mr. CRERAR: That begs the question. I think it is a fair inference from the amendment to say that if a sufficient amount of money to satisfy my hon. friends were being voted in this house for purposes of social security—though I do not know what social security may mean, in the terms of this resolution—then they would not be objecting to the estimates which have been brought down by the Minister of National Defence.

Mr. WOODSWORTH: If this is not simply an oratorical question, may I say that we are absolutely opposed to the increases in the defence estimates. Particularly is this an outstanding injustice when nothing is being done and no money can be found for social security.

Some hon. MEMBERS: Oh, oh.

Mr. CRERAR: If that is so, why did not the hon. member for Winnipeg North Centre see that his lieutenant the hon. member for Vancouver North worded his amendment in a different fashion?

Mr. WOODSWORTH: It is well worded; I have no objection to the wording of it.

Mr. CRERAR: So far as provision for social security is concerned, I do not know what the hon. member has in mind. This is not the time to discuss that aspect of our many problems, but I would remind the hon. member that this country is providing to-day, in pensions of one kind and another, through federal and provincial governments, a great deal indeed by way of social security.

I may say, however, that the estimates have not lightly been put forward by the government. No government with any sense of responsibility to the Canadian people, having in mind the unemployment which exists and the onerous burden of taxation resting upon our people, would lightly put forward additional expenditures on defence or anything else. It was only because the government, after most serious consideration, came to the conclusion that it was their bounden duty to do so, that these estimates were placed before parliament.

What is Canada's position? We have attained practically all the attributes of nationhood. So far as our conduct of our internal and external affairs is concerned, Canada is to-day complete mistress in her own house. That position brings with it some responsibilities. If we look around the world we must realize that unquestionably, so far as world peace is concerned, the position is grave. That point has been traversed by many who have preceded me in the debate. Whether we like it or not, there are forces abroad in the world to-day which to all appearances are leading the world to destruction or into another great war. Are we to stand peacefully aside and make no preparation for any contingency which may arise? It is all very well for hon. members to talk, but if Canada should be invaded—and that is not beyond the bounds of possibility, in view of the progress modern science has made—

Mr. COLDWELL: Will the minister tell us who is likely to invade us or attack us?

Mr. CRERAR: I am not a prophet any more than the hon. member, although, if I went into the prophesying business I might do a little better than he has done.

Mr. COLDWELL: We hope so.

Mr. CRERAR: The United States did not want to go into the great war. President Wilson did everything he could to keep that country out of the war. On more than one occasion he declared that the United States was too proud to fight. But that country found itself impelled by forces which could not be foreseen, forces which were uncontrollable, to enter the war.

Mr. COLDWELL: The war debt.

Mr. CRERAR: War debt nothing! No one can measure the forces at work to-day; no one can judge what the possible effects may be. No matter how much Canada may dislike any war activity, if she found herself in a position where she had to defend herself, would hon. members be proud of a situation they had created whereby she had not the means to carry out that defence? I am satis-

fied the judgment of history on that course would be severe indeed.

We have to take account of these things. Let me repeat that the government does not desire to add to the burdens of the Canadian people. We are not going into this matter lightly as the hon. members for Vancouver North and Rosetown-Biggar indicated.

Mr. COLDWELL: I did not say that; I object to the statement.

Mr. CRERAR: I accept the hon. member's statement. He is always courteous in debate, and I wish to be courteous to him. Let me repeat that this has not been entered upon lightly. We have taken this course because after serious consideration we felt it was our bounden duty to place these estimates before parliament.

The question has been asked—I believe it was asked by the hon. member for Vancouver North—against whom are we arming? I do not think the hon. member for Rosetown-Biggar will object when I say he intimated in his speech—I shall not use the term insinuated—that this was part of a scheme by which Canada was committed to supply expeditionary forces overseas. That point has been dealt with by my right hon. leader who, in the most unequivocal terms, has cleared up the situation in that respect. I need not repeat his statement. This government will not decide whether or not Canada shall send an expeditionary force overseas; parliament will decide, if such occasion should arise during the life of the present government.

No; we are not arming against anyone. Against whom would we arm? Whom would we desire to attack? Against whom would we be aggressors? We have no neighbours on the north, and we would not fight the United States on the south. We have enjoyed a hundred years of peace with that country, and I am sure that state of affairs will continue for more than another hundred years. We are not arming against anyone, but we are putting ourselves into a position where, if necessary, we may defend ourselves. I believe that is the bounden duty of any government holding the responsible position of governing this country.

Mr. W. A. FRASER (Northumberland): Mr. Speaker, it was not my privilege yesterday to listen to the speech delivered by the Minister of National Defence (Mr. Mackenzie), but since then I have read his speech carefully and in detail, noting every particular. May I say that in his submission to the house yesterday afternoon and evening the minister placed before parliament in clear and concise language the exact position of Canada in relation to defence. In his observations he did not mislead the house in any detail, nor did he withhold from the record one item which might have been regarded as a weakness in the position of this dominion to-day in her world sphere.

I should like to compliment many of the speakers who have preceded me and I want to make special reference to the Minister of Agriculture (Mr. Gardiner) who presented the position of Canada to the house this evening. I believe that we, as members of the House of Commons, should analyse the situation and consider it from a larger perspective than some hon. members have done this afternoon and this evening. We should not follow the narrow perspective embodied in the speeches of the mover (Mr. MacNeil) and the seconder (Mr. Coldwell) of the amendment.

May I refer again to the speech of the Minister of National Defence. In my humble opinion he left nothing unsaid.

Some hon. MEMBERS: Oh, oh.

Mr. FRASER: Apparently some hon. members did not read his speech. May I say that the Minister of National Defence, in outlining Canada's position, left nothing unsaid.

I should like to refer for a moment to Canada's position in world affairs. As has been noted by many of the speakers who preceded me, in the past Canada has depended upon the British taxpayer for the protection of her trade lanes on the seven seas. It has been stated also that Canada has depended upon the protection of the great republic to the south. It has been said that we should still remain wards of either Great Britain or the United States. I should like to direct the attention of hon. members to some facts which have been placed before them in the past. In 1936 Canada sold $400,000,000 worth of Canadian products to Great Britain, while in that same year Great Britain sold $120,000,000 worth of her products to Canada. Canada has a mercantile marine; we have ships on the seven seas flying the Canadian flag, and Canadian citizens are scattered throughout the world. We pride ourselves on being a full-fledged nation, and yet some hon. members object to our paying an infinitesimal part of one per cent of our income in order that Canadian commerce and Canadian citizens may be protected in the event of war.

I should like to place on record what in my humble opinion is our present position. We see in the press to-night that Great Britain is to start the construction of ten ships on April 1. We see another item to the effect that in 1937 the United States will

spend a greater amount on armaments than has been spent in any year during her history. We see another item to the effect that Lloyd George, the war-time minister of Great Britain, makes the statement that the world is going mad and that nothing can prevent a conflagration. We read another item to the effect that a British embassy is in the United States trying to prevent Great Britain from being embroiled in a war until the people of the motherland have taken up the slack.

As was stated by one hon. gentleman who spoke last night, for the last four or five years Great Britain has been asleep. That country decided upon a policy of disarmament and the curtailing of votes for national defence, but a year or so ago she woke up to the realization that Europe had rearmed. What is the position to-day of the British Empire? What has happened in Africa because of the Italian rape of Ethiopia? The conquest of Ethiopia placed Italy in control of the headwaters of the Nile. Could anyone have realized three or four years ago that such misery, suffering, degradation and cruelty would have been perpetrated in Spain? What will happen should the fascists gain power in Spain? The first step will be the breaking of British influence in the Mediterranean and interference with British trade through the Suez to the far east.

I may be wrong, but it is my humble opinion that if Great Britain had been prepared she would not have suffered the humiliation she did suffer in connection with the Mediterranean situation and the Italian conquest of Ethiopia. Whether we like it or not, there is existing throughout the world the devastating influences of fascism, communism and nazism which are breaking in surges against the last bulwark of democracy, the British Empire.

What is our position in Canada? Our position to-day is not the same as it was in 1914. Our position to-day is not the relative position in which the British Empire was in 1914. Our position to-day as a component part of the British commonwealth of nations is that we are confronted with the fact that Great Britain has all she can do to protect her own shores. Our position to-day is that we can no longer retain our asinine and colonial aspect in connection with world affairs. Our position is such that we have to spend money on armaments with which to defend ourselves. We must increase those expenditures in order to protect ourselves as Great Britain can no longer help us. Great Britain has all she can do to protect herself. I notice the leader of the opposition (Mr. Bennett) smiling. After following the red ensign around the world he should know the present position of the British Empire. He should know with what Canada is confronted to-day. No one should know that as well as a man who has followed that red ensign from Singapore to London.

We must realize not only that we are an independent nation within the British commonwealth of nations but that we must do our bit. We must protect ourselves. We shall not have the privilege of deciding whether we are going to be neutral or not. We shall not have the privilege of determining whether we are going to get into war and whether we are going to be attacked. To-day Germany and Japan have entered an alliance; should trouble arise, we in this dominion on the highway from Yokohama to London would be subject to attack, and if the views of hon. members opposite should prevail, we would be in no position to withstand it. It is the duty of this and any succeeding government to vote part of the income of the people of Canada by way of protective insurance against eventualities that may arise in a world that to-day is going mad.

I congratulate the Minister of National Defence upon bringing down his estimates, tabling them, going into them in detail item by item, and exposing to the house and to the country the existing weakness of our military, naval and aviation services, and I am taking his speech as the basis of my remarks. We could not to-day arm a battalion in this country. We have no modern machine guns, no modern aeroplanes and certainly no modern coast or naval defences. I remembered, when reference to this matter was made by the minister in his speech, having stood at my office door on the shores of lake Ontario and having seen seven Italian aeroplanes on their flight direct from Italy over lake Ontario. Yet in the face of such achievements somebody comes along and publicly declares, "Better a convict than a soldier," without an appreciation or a realization that to-day this country is more vulnerable than she has ever been, and that the apron-strings of the old motherland have been broken through the necessity of preserving her very life blood, the heart of the empire; without a realization that the next war will be fought, not with picks and shovels, but with gas bombs and with deadly weapons of warfare unknown in any previous conflict. In face of such facts, hon. members move a resolution of lack of confidence in this government because my leader and my colleagues, having the interests of the people close to

their hearts, have the courage of their convictions and the foresight to come into this house and table estimates, sir, that in my opinion are absolutely inadequate to meet the situation. May I say to the Minister of National Defence that these estimates, instead of being thirty-four or thirty-five millions of dollars, should have been at least seventy-five millions of dollars in order to bring the naval, aviation and military equipment of this country up to the standards necessitated by the development of armaments throughout the world to-day.

We have listened to many eloquent speeches in connection with this question. I desire, in conclusion, to place upon the records of this house what are in my humble opinion all-important considerations: First, that the last bulwark of democracy is exemplified by the British Empire; second, that by no stretch of imagination can Canada or any other component part of the empire disinterest or disconnect itself from the interests of Britain; third, that the interests of this country lie not only with Britain but with the great republic to the south of us, and we would be remiss in our duty if, as was suggested this afternoon, we should depend upon the strength of the United States to protect our shores. We have a duty as a component part of the British commonwealth of nations. We have a duty to democracy and civilization. Above all, as has been stated in this house, we have a duty to the Canadian people. We are not a colony. And we are not a vassal state, although we would have been if the attitude that has been taken by speakers opposite in connection with these paltry estimates had been taken by this country and by the United States during the world war. Talk about social services; talk about railway deficits; talk about anything else in the way of reforms! We would have neither social services nor railways nor anything else if we were unprotected against a world conflagration based upon the great surging forces of nazism, fascism and communism to-day. Let us get down to brass tacks and realize where we are, whether our nationality be French, English or any other.

An hon. MEMBER: Scottish.

Mr. FRASER: Let us realize that it is our duty as Canadian citizens not only to support these estimates, not only to vote against this asinine resolution, but to make up our minds to continue in our loyalty and to vote for greater estimates next year, the year after, and just so long as dictatorship is rampant throughout the world.

Mr. C. E. JOHNSTON (Bow River): I wish to take this opportunity to correct the false impression given to this house by the remarks yesterday of the hon. member for Vancouver North (Mr. MacNeil). I do not say that he intentionally misinterpreted my remarks of February 4, but misinterpret them he surely did.

On page 882 of Hansard the hon. member is reported as saying:

> I cannot for instance accept the suggestions made in this house recently by the hon. member for Bow River (Mr. Johnston), when he said on the fourth instant that we should have the world's best fleet in our waters; the world's best army in our land, and the world's best air fleet in our own country. I hope I am not doing him an injustice when I quote his remarks apart from the context.

Now, Mr. Speaker, that is exactly what the hon. member has done, because from there on is the gross misinterpretation of what I said. He goes on to say that:

> If we are to have the world's finest navy in our waters we shall require one that surpasses the British navy, which has now a naval tonnage of 1,161,000, with something like 200,000 additional tonnage under construction, and a personnel of something like 90,000 seamen. If we were to have the world's finest army we should need an army greater than Germany's or the Soviet Union's 1,300,000 under arms. And if we were to have the world's greatest air force we should have to have a fleet greater than that of the Soviet Union or that of Germany, in excess of 4,000 aircraft.

At this point I wish to give three possible meanings of that. First of all, Great Britain has the world's best fleet and in that fleet she has one boat which is better than the others. Now, if we were to have that best ship, or possibly some similar to it, we could be said to have the best navy. Second, if Canada has the best navy according to the size of her territory, her population and her wealth, we could be said to have the world's best navy. Third, if we had the greatest number of ships and each one of these the largest possible, and if we had a greater number of sailors than any other nation in the world, then we could be said to have the best navy in the world.

This last is absolutely absurd because we have not the wealth to have such equipment, nor have we the men to use for the purpose of manning such a fleet. Yet this last is the interpretation the hon. member has put upon my words. The whole content of my address was strictly self defence, and on no consideration would I permit Canada to participate in foreign wars. I never said or inferred that we should have a greater military force than Great Britain, Germany, or any other country. I was not speaking of quantity at all, but the hon. member for Vancouver North stressed quantity, yes, magnified it many times. I was speaking of quality. I have in mind a

little incident which many hon. members of this very house will recall in regard to the Ross rifle. These rifles were of a decidedly inferior quality and our Canadian soldiers were compelled to throw them away and pick up the Lee-Enfield rifles, although they left themselves liable to court martial by so doing.

A repetition of such things as that should not be permitted. We should have the best. As I stated in my last speech, and as I state again, the United States war experience illustrates why no foreign power could invade Canada, provided we took ordinary common sense precaution to prevent it. Is there any hon. member sitting in this house who does not desire to have our homes, our wives and our families protected from the ravaging of a raiding horde?

Mr. Speaker, I cannot lower myself to such depths of degradation as to expect any other country to defend us when we will not do anything to help ourselves.

The hon. member for Vancouver North said, as reported at page 884 of Hansard, the second column:

> If we are attacked it will be because of our relationship with Great Britain or of our proximity to the United States. If either of these powers get us into trouble we have no choice but to rely on them for defence. . . .

Surely the hon. member does not believe that we should get protection from Great Britain or the United States, giving as our excuse that we are merely neighbours and should be protected for that reason, or telling Great Britain that she should protect us because of our relationship with the British Empire, and at the same time do absolutely nothing to help ourselves. I cannot believe that of any hon. member. I am reminded of that old poem:

> Breathes there the man, with soul so dead,
> Who never to himself hath said,
> This is my own, my native land!
> Whose heart hath ne'er within him burned,
> As home his footsteps he hath turned,
> From wandering on a foreign strand?
> If such there breathe, go, mark him well!

I propose, Mr. Speaker, to vote for this amendment, but I must make my stand clear once again. I am not voting against a proper self-defence program, but I am voting against the method the government proposes to use for raising the money for this defence program, that is by borrowing from financial institutions and burdening our people for years to come with an increased load of taxation which they cannot bear.

On motion of Mr. Leader the debate was adjourned.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Wednesday, February 17, 1937

The house met at three o'clock.

RAILWAYS AND SHIPPING

STANDING COMMITTEE—CHANGE OF PERSONNEL

Hon. ERNEST LAPOINTE (Minister of Justice) moved:

That the name of Mr. Beaubien be substituted for that of Mr. Howard on the standing committee on railways and shipping owned, operated and controlled by the government.

Motion agreed to.

CRIMINAL CODE AMENDMENT

Mr. T. L. CHURCH (Broadview) moved for leave to introduce Bill No. 22, to amend the criminal code.

Some hon. MEMBERS: Explain.

Mr. CHURCH: The object of the bill is to call the attention of the country to the great loss of life through motor cars. It is not the same bill we had last year. It deals with many phases of the problem which are set out in the bill, copies of which will be available to-morrow.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

PIERREVILLE, QUE., POSTMASTERSHIP

Mr. DUBOIS:

1. Was the resignation of Mr. C. E. Blondin, postmaster of Pierreville, county of Yamaska, requested in October, 1934?
2. If so, by whom, and for what reason?
3. Upon what date did the Post Office Department decide to accept the resignation of Mr. Blondin as postmaster?
4. For what reasons?
5. Upon what date did the department decide to make a new nomination?
6. Was any person officially recommended to the department?
7. Upon what date?
8. What is the name of the person?
9. When will the new appointee commence his duties?
10. Is Mr. C. E. Blondin still in charge as postmaster?

Mr. ELLIOTT (Middlesex):

1. Yes.
2. By inspector following the discovery of a shortage in the postmaster's accounts.

3. October 22, 1936.
4. For reasons referred to in No. 2.
5. October 22, 1936.
6. Yes.
7. October 28, 1936.
8. Edmond Desmarais.
9. Matter under consideration.
10. Yes.

CANADIAN NATIONAL RAILWAYS—PORTERS

Mr. PLAXTON:

1. How many porters, if any, are employed directly or indirectly by the Canadian National Railways and its subsidiary lines?
2. How many porters, working on the Canadian National Railways and its subsidiary lines, are American citizens?
3. Does the United States government permit porters, working on the Canadian National Railways and its subsidiary lines and who are Canadian citizens, to work on trains which have entered the United States and are travelling therein?
4. Does the Canadian government permit porters, who are working on the United States railways and who are American citizens, to work on trains which have entered Canada and are travelling therein?

Mr. HOWE:

1. Two hundred and thirty-three porters are employed by the Canadian National Railways and its subsidiary lines in sleeping and parlour car services operated on its lines in Canada or on international runs. Sleeping and parlour car porters in Pullman service are not included as they are employed and paid by the Pullman Company which furnishes equipment and crews for certain runs on a contract basis.
2. Twenty-seven.
3. Yes.
4. Yes.

GRADE SEPARATION FUND

Mr. CHURCH:

1. What amount was voted for the grade separation fund in 1936?
2. How much was spent?
3. What proportion of it was spent in each province under the Board of Railway Commissioners for Canada?

Mr. GARDINER:

1. $2,235,228.58.
2. Expenditure.. .. .. $ 209,359 81
   Commitments made and outstanding.. .. .. 1,530,497 35
   $1,739,857 16

3.

Province	Expenditure	Commitments made and outstanding	Total
Prince Edward Island..	$ 3,634 90	$ 9,482 50	$ 13,117 40
Nova Scotia..	8,476 06	165,153 08	173,629 14
New Brunswick..	22,932 61	60,322 40	83,255 01
Quebec..	60,431 23	284,864 52	345,295 75
Ontario..	40,710 75	656,910 01	697,620 76
Manitoba..	40,030 27	59,969 73	100,000 00
Saskatchewan..	9,097 10	156,246 41	165,343 51
Alberta..	16,024 17	33,618 00	49,642 17
British Columbia..	8,022 72	103,930 70	111,953 42
	$209,359 81	$1,530,497 35	$1,739,857 16

HAMILTON GAULT FUND

Mr. POULIOT:

1. Is E. H. Scammell, secretary of the Pensions and National Health department, also administrator of the Hamilton Gault Fund?
2. If so: (a) what is that fund; (b) what does it amount to; (c) to whom does it belong, and (d) what is the purpose of it?
3. Is Scammell the only administrator of that fund?
4. If so, when and by whom was he appointed, and, if not, who are the other administrators?
5. In the calendar years 1935 and 1936, were there: (a) any returned soldiers, and (b) any civilians who received money in any shape, way, or form, from that fund?

[Mr. J. C. Elliott.]

6. If so, how many, (a) returned soldiers; (b) civilians; who were the civilians, and for what purpose did each one receive any money?
7. Did a Lieutenant-Colonel Walker, of Ottawa, receive any money at different intervals from that fund, and if so, when and how much each time?
8. Does he receive a pension? If so, how much?
9. How many returned soldiers' requests for borrowing money from that fund were turned down in calendar years, (a) 1934; (b) 1935, and (c) 1936?
10. Does the administrator or do the administrators receive anything for administrating that fund, and, if so, how much?

Mr. POWER:

1. No.
2. No information.
3. and 4. Answered by No. 1.
5, 6 and 7. No information.
8. Information not available without further means of identification.
9. and 10. No information.

RETIREMENT OF RADIO COMMISSIONERS

Mr. POULIOT:

1. Upon what date were Mr. Hector Charlesworth, Lieutenant-Colonel Steel and Mr. Chauveau retired as radio commissioners?
2. In addition to receiving their regular salaries to the above date, were they each granted a bonus, an extension of salary payments, or any kind of gratuity?
3. If so, how much in each case?

Mr. HOWE:

1. November 2, 1936.
2. (a) Mr. Charlesworth was granted a retiring allowance of one year's salary ($10,000) payable in instalments over a period of two years.
(b) Lieutenant-Colonel Steel—No.
(c) Colonel Chauveau—No.
3. Answered by No. 2.

CANADIAN NATIONAL RAILWAYS—RETIREMENT OF TRUSTEES

Mr. POULIOT:

1. Upon what date were ex-Judge Fullerton and his two colleagues retired as trustees of the Canadian National Railways?
2. In addition to their regular salaries to the above date, did each one receive a bonus, an extension of salary payments, or any kind of gratuity?
3. If so, what is the amount of the bonus, salary extension or indemnity paid or to be paid by the Canadian National Railways or by the government?

Mr. HOWE:

1. September 30, 1936.
2 and 3. Honourable C. P. Fullerton, K.C., was given a remunerative payment of $30,000.
J. E. Labelle, K.C., was given a remunerative payment of $1,500.

CANADIAN RADIO BROADCASTING COMMISSION

Mr. BENNETT:

1. Have the services of Mr. Hector Charlesworth, Colonel C. A. Chauveau, K.C., and Lieutenant-Colonel W. Arthur Steel, M.C., members of the Canadian Radio Broadcasting Commission, been dispensed with?
2. If so, when, how, and on what terms and conditions?

Mr. HOWE:

1. Yes.
2. (a) November 2nd, 1936.
(b) Positions automatically expired on the promulgation of the Canadian Broadcasting Act, 1936, under P.C. 2362, September 10th, 1936.
(c) Mr. Charlesworth was granted a retiring allowance of one year's salary ($10,000), payable in instalments over a period of two years.

CANADA SHIPPING ACT

Mr. TUCKER:

1. When was the Canada Shipping Act proclaimed?
2. What has been the effect of this act on freight rates, particularly on grain being exported from western Canada?

Mr. HOWE:

1. 1st August, 1936.
2. No apparent effect.

BANK OF CANADA—ANNUAL REPORT

Mr. TUCKER:

1. When will the second annual report of the Bank of Canada be available for distribution to members of parliament?
2. Will such report be referred to the committee on banking and commerce?

Mr. DUNNING:

1. A certified copy of the auditors' statement of the accounts of the Bank of Canada for the year ended December 31, 1936, was tabled on January 25, 1937. If by annual report is meant the address by the governor of the Bank of Canada to the shareholders, it should be noted that the annual meeting will not be held until February 23rd, and arrangements have been made to make copies available shortly thereafter.
2. Under consideration.

BRITISH TREASURY BILLS

Mr. TUCKER:

1. How much did the British government pay in interest on its treasury bills against which fifty millions of dominion notes were issued in 1917?
2. In what manner and when was this issue of dominion notes redeemed?

Mr. DUNNING:

1. No interest was paid by the British government on its treasury bills against which notes were issued. They were held as collateral only. Interest at varying rates up to 5½ per cent was paid on the credit opened in favour of the British government for the purchase of munitions and other supplies financed by this issue of dominion notes.

2. Dominion notes were redeemed in cash during the following years:

1922-23	$10,000,000
1923-24	8,600,000
1924-25	16,965,000
1925-26	14,435,000

DOMINION TREASURY BILLS

Mr. TUCKER:

1. How much money is now owing by the dominion under short term treasury bills?
2. What is the average of interest payable on such indebtedness?
3. What is the length of the period such treasury bills are drawn for?

Mr. DUNNING:

1. $150,000,000.
2. ·7566 per cent.
3. Three months.

QUESTIONS PASSED AS ORDERS FOR RETURNS

GOVERNMENT EMPLOYEES—HOURS OF LABOUR

Mr. MAYBANK:

1. What are the hours of labour of hospital orderlies in the Department of Defence and in the Department of Pensions in and about Winnipeg, Manitoba?
2. What are the hours of labour of inspectors in the Department of Agriculture in and about the city of Winnipeg, Manitoba?

Mr. MAYBANK:

1. Do firemen in the Department of Defence at Winnipeg work a seven-day week of eight hours per day?
2. How many firemen are employed in said department?
3. Do any workmen in said department work a seven-day week of eight hours per day?
4. What is the number of hours comprising a week's work for firemen in or about Winnipeg in the Department of Defence?

DOMINION COAL COMPANY—COAL SUBVENTIONS

Mr. BROOKS:

1. What amounts were paid by the Dominion government to the Dominion Coal Company as bonuses for the manufacture of coke, and the manufacture of steel, for the following years: 1934, 1935, 1936?
2. What amount was paid by the Dominion government in subventions to each province to assist in the movement of coal during the year 1936?
3. What quantities of coal were moved in each province under these subventions?

MOTIONS FOR PAPERS

CIVIL SERVICE COMMISSION—APPOINTMENTS IN QUEBEC AND ONTARIO

Mr. LALONDE:

For a return showing:

1. The complete list of the positions announced by the Civil Service Commission for the provinces of Quebec and Ontario, for the years 1930, 1931, 1932, 1933, 1934, 1935, and 1936.
2. The complete list of candidates who have applied for these positions, (a) English-speaking; (b) French-speaking.
3. The complete list of successful candidates for the positions announced.

[Mr. Dunning.]

Mr. RINFRET: The information asked for by this motion is very comprehensive, and to prepare it would take considerable time and cost a good deal. I call attention especially to No. 2:

The complete list of candidates who have applied for these positions, (a) English-speaking; (b) French-speaking.

To make such a list would mean hundreds, in some cases thousands of names for each position; so that hon. members can imagine what it would mean if this informatoin were prepared with respect to all positions over a period of seven years. Other questions asked by the motion are not matters of record and we would have to take a small census to get the information. I may say, however, that I have explained the situation to the hon. member and he has been kind enough to agree to let the order drop.

Motion dropped.

DEPARTMENT OF AGRICULTURE OFFICIALS—ALBERTA

Mr. FAIR:

For a return showing:

(a) Name; (b) headquarters address; (c) title; (d) salary; (e) travelling expenses, of all permanent and temporary officials, with headquarters in Alberta, employed or supervised by the Dominion Department of Agriculture or any of its branches, for the year 1936.

PRIVILEGE—MR. POULIOT

Mr. JEAN-FRANCOIS POULIOT (Témiscouata): As a matter of personal explanation and privilege, may I refer to page 945 of yesterday's Hansard, the first column. Speaking of honorary colonels and honorary lieutenant-colonels, I am reported as saying:

These men take advantage of their wealth in order to parade in a uniform which they were too cowardly to wear during the war.

Exceptions confirm the rule.

CONSTITUTIONAL REFORM

PROPOSED SURVEY OF LEGISLATIVE AND LEGAL SYSTEM, LOOKING TO INCREASED EFFICIENCY AND STABILITY OF GOVERNMENT

Mr. T. L. CHURCH (Broadview) moved:

That, in the opinion of this house, constitutional, parliamentary, cabinet and law reform are long overdue in Canada;

That with a view of increasing the efficiency of parliament and of government in this country and also of considering the whole question of over-government and over-taxation and giving the people a more modern constitution adapted to the solution of Canada's present day problems, a survey and study should be made either by a select committee of this house or by a joint committee of both houses of parliament with a view of having a report presented to both houses of parliament for these very necessary reforms and for legislation accordingly, so as to increase the efficiency as well as the stability of government in Canada.

Any such suggestions as aforesaid to be subject to the existing rights of minorities which are not to be interfered with but preserved.

He said: The resolution which is before the house this afternoon is No. 1 on this year's order paper but I thought that private members' day was to be abolished. The resolution was on the order paper in the sessions of 1935 and 1936.

The efficiency of this parliament is one of the most important questions for the people of Canada. Politics is supposed to be one of the greatest sports in the world. This parliament is operating under rules which are antiquated, rules three hundred years old. Take the annual estimates; instead of following the practice which is common to municipalities and private business enterprises, under which heads of departments meet together as a central board and go over the estimates carefully, cutting them down where feasible, and, in the case of the municipality, striking a tax rate, what do we do? We simply hold a post mortem on matters eighteen months old. We get the auditor general's report within fifteen days after the opening of parliament, but what is in it? Nothing but a post mortem examination of expenditure made in a previous year. It took three hundred years of parliamentary strife to secure the freedom of parliament and control by parliament over the executive and over the expenditure of money, but here we meet and pass millions of dollars of taxation representing money which has all been spent beforehand. We should reform our own ways of doing business. Parliament is getting to be nothing but a rich man's game. We sit here anywhere from three to six months. One of the glories of the Victorian era was that in those days they built up assets for the future. To-day these assets are being squandered by parliament, and the country does not know about it. In those days the people kept the state; to-day we are getting into a situation where the state keeps the people.

I say that the estimates are brought down early in the session. Under the constitution if this house moves to reduce the estimates by one dollar, and the motion carries, the ministry resigns. What an absurd procedure! Many men in this house come up here from the municipalities of Quebec and the other provinces, and are accustomed to municipal practice. We have to get some modern business methods in the government of this country. We know at the annual meetings of the banks and financial institutions they are complaining about Canada's lack of business methods. Over-government and over-taxation are the curses of this country. There never should have been any provincial legislatures; they were not in the minds of the fathers of confederation but were created by the fathers of confederation for political, not economic purposes, with the result that you have in this country to-day a state of affairs which is intolerable. You have nine provinces all dealing with purely local matters, and a tenth legislature here, the House of Commons and Senate of Canada. In Great Britain there are no provincial legislatures; a population of some forty-six millions is governed by one federal parliament and local government boards over the municipalities. They get speedy results, while we sit here doing nothing.

I have travelled a little on the trains during the past few weeks, and I find them filled with members of commissions—they call them now committees; the Minister of Agriculture had an advisory rehabilitation committee to spend $10,000,000 on prairies, now changed to many committees. A committee of one hundred will be nothing when the work gets going. They are usurping the functions of parliament, going over the head of this House of Commons. We pass various acts, and at the end you see a board or committee provided for and given power to make rules and regulations which have the force of law. They are imposing direct taxes on the people of the country, and the people are not able to pay them.

It is my desire to offer constructive criticism, not particularly of any government, but based on principles. I believe that next session a select committee should be appointed as proposed in this motion, as was done in the old country, where the reform of the House of Lords and many other reforms, were brought about peacefully and without revolution, with the result that to-day the mother country is recovering from the depression faster than any other country in the world, by reason of a balanced budget, tariffs, a sane and sensible housing scheme, and control over the budget. They are meeting the enemy at the gate—bolshevism, socialism, fascism and all the rest. Look at England

about eighteen months ago, with the black shirts, the red shirts and the shirts of many colours, so that even Solomon in all his glory was not arrayed like one of these. But in England to-day a cardinal principle is respect for the monarchy, respect for institutions. Sometimes as I listen to things said in this house I begin to wonder whether there are not some Canadians who are ready to praise every country in the world except their own. I tell you, Mr. Speaker, that we will have to reform our ways, for the burdens and restraints and artificial barriers we have placed on business make it hard for men to carry on.

I would suggest that estimates committees be set up. This is not a new proposal. Such committees exist in other lands to-day. In England they have a committee system, and they have had such committees in the United States for about fifty years. Instead of taking up to-morrow the estimates of the Department of National Revenue or the Department of Immigration and having a discussion of policy on the vote for salaries we would appoint a committee on estimates or perhaps two or three committees. The officials of the departments concerned could appear before those committees and give all the information required. This is the municipal system, the board of control system, and in this way we would have some central authority looking after our expenditures. The committee, on which all parties would be represented, might strike off half a million dollars here or a million dollars there, and it would not affect the fate of the government. Under our present system of responsible government the ministry falls if anything like that happens. Our system is three hundred years old; it is out of date.

We have a great deal of useless over-government and over-taxation in Canada. If many of these provincial governments were out of existence entirely I think it would be a good thing for the country. I believe we should adopt the British system and enlarge the powers of the municipalities. Judging from the way some of these provinces are going on, after a while there will be no municipal institutions left. The provinces are grabbing all the revenue that formerly was collected by the municipalities. At one time the income tax was the exclusive field of the municipalities. That was the case from confederation down to 1917, when this parliament invaded that field and imposed an income tax for war purposes, which constituted a duplicate income tax. Not satisfied with that, the governments of the provinces came along and imposed a triple income tax, which surely is an absurdity.

These provinces receive direct subsidies from parliament under the British North America Act, and what are the subsidies given for? The terms of confederation state why they are given; they are to compensate the provinces for their inability to levy indirect taxation, and to maintain provincial and municipal institutions. Now the provinces want the power of indirect taxation, and if it had not been for the action of the other branch of this parliament a bill would have been passed which would have given the provinces power to invade almost all fields of municipal taxation. They would have added a tax on real estate, a tax on the municipal assessment, and, in addition, a duplicate sales tax. That bill was thrown out by the senate, because the interests of the people of Canada and the interests of good government and law and order demanded that this should be done.

It is my opinion that the municipal system should be substituted for our present system. Parliament should meet here for only about three months. Under our present system some of the committees set up do not meet at all; others elect chairmen and that is the last we hear of them for the year. We have altogether too many committees, but we are very badly in need of a legal committee. Reforms must come in the interests of national security. If we had a single parliament during which there was a socialist majority, Canada would be ruined. Whither is Canada drifting? Where are we heading? As I say, in a single parliament untold damage could be done; the state could be revolutionized against the will of the people, if the socialists had a clear majority here. I suggest that we should consider changing the rules of this game. Did you ever hear of a game that had the same rules for three hundred years? Instead of being here for about three months, which is all the time that should be required to transact the necessary business even during the very heaviest session, we are here sometimes for six months, and when we have fall sessions we are here practically the year round. This political game should not be a dead game; it should be up-to-date and modern, and the rules of the game should meet changed conditions.

I believe some measure of constitutional reform should be adopted which will prevent amateurs from periodically interfering with industry and agriculture in Canada. That has been the curse of this country for many years. Artificial burdens and restraints which

have been imposed upon business have prevented business from functioning normally. Parliament hardly ever meets without creating some additional restraint on business and trade.. As a matter of fact parliament has become the chief enemy rather than the protector of liberty in this country. Nothing has been done to check the shocking death toll on the highways. We meet here and talk about many things, but the terrible death rate on our roads and highways is ignored, while in England the problem has been practically solved.

Constitutional reform is the only remedy for the meddling of amateurs with business that is going on to-day. Nothing is more essential than good housing for the working classes and cooperation between the farmers and the consumers, but efforts to deal with these matters have failed. As a result the consumer has been placed at the mercy of the producer. You may remember, Mr. Speaker, that when our parliamentary system was started some three hundred years ago the basis was territorial representation, because that was an agricultural age. Parliament included representatives of the shires and towns and of the producers and distributors of agricultural products. Thus the producers and the consumers were brought together in parliament, not to regulate other people but to regulate their own affairs. The government cannot isolate itself from trade and commerce; if it did so it would have to cease functioning. I believe our activities should be reorganized so that industry may become self governing within the constitution. The country is sick of politics as it is practised here; that has been stated by many leaders of industry. I wonder how many of the front benchers opposite would be returned to parliament if they had to be elected by a referendum. If a new government were to be elected by a plebiscite how many members of the present cabinet would be returned to office? The government should discharge the trust it received from the people back in 1935, and that is not being done at the present time. The people gave the government a mandate to bring about reforms, and if this is not done it will be all the worse for us. We should have a clear cut national policy and we should concentrate along national economic lines. If nothing is done by the present government I fear—though I hope it will not come about—that we may see an even greater drift in Canada towards socialism.

I should like to see something done along the lines of the action taken in England. There the union between the forces of Baldwin and Chamberlain and the sane, sensible thoughtful trade union movement saved England last May. I should like to see something done along this line. In the early days of this country everybody owned some property—a farm, a little mill, or something else. We have been slow to see how the rights of property have been taken away in Canada by big business; the old system has passed away, and a very large majority of the people are just proletarians. In the days of Sir John A. Macdonald it was very different. In this house we are behind the times, and unless we wake up and reform our house from within it will be reformed from without. So far as my knowledge goes, none of the great reforms that have marked the history of England since 1800 originated within parliament; every one began outside. The same is true of this house: all our great reforms, except those which were initiated two years ago by the leader of the opposition (Mr. Bennett), began outside the house. Reform was not enacted into law, either in Canada or in England, until parliaments were driven to do something. Look at the mother country: parliamentary reform did not start in the House of Commons or the House of Lords, but outside those houses. The abolition of the slave trade, the abolition of the corn laws, prison reform, colonial reform, Catholic emancipation, and the reform of the franchise—all these started outside parliament.

The government cannot isolate itself any longer from trade and commerce; if it does, so much the worse for the people. To-day the world is in a state where liberty has been contracted. We must be on guard as a people, recognizing the extent to which liberty has been contracted, not only in Europe but the world over, until there are left to-day very few parliaments. Even in this country there is little freedom in the press, in the pulpit, in the legislatures, or in the universities. In former times the state was the defender of the people. Where are we to-day? A couple of sessions ago there was a newspaper identity bill before this house which raised the issue of who owns the newspapers. Many honest country weekly old type newspapers in this country have been driven to the wall because of the economic conditions I described a few moments ago; there have been others merged into unions of papers. Where there used to be two papers independently owned, in the larger cities we now find them controlled by the same interests, and in these newspapers a page and a half is devoted to the turf and

pages to professional sport as against about a column and a half devoted to parliament once in a while. In one paper to-day may be seen a list of 245 horses now racing, a number equal to the number of members of the House of Commons. I never in my life saw such names; if any hon. member has not a horse named after him let him apply to the paper in question. That is the direction in which the fourth estate in this country is heading, and the lack of attention the press give to government by the people. In no small measure it is due to the attitude of parliament itself, confronted with issues such as the great number of people out of work, and other important social problems. To-day the press are paying little or no attention to the proceedings of this house; in fact if I read some papers I should not know that parliament was even meeting apart from the fact that I am required to attend it.

The other day I was in a little Anglican church called Holy Trinity. It is surrounded by towering factories, and at its noon Lenten service is filled with white-collar workers and girls from the factories. The choir consists of splendid men, a few of them are even out of work. As I say, the service attracts a number of white-collar workers; girls who have little money to buy lunch will refresh themselves with a five or ten cent meal and afterwards go into the church. The other day I heard them sing that well know Lenten hymn:

Take up thy cross, the Saviour said,
If thou wouldst My disciple be;
Deny thyself, the world forsake,
And humbly follow after Me.

After that hymn was announced, one of those white-collar workers said to me, "What are you going to do in parliament?" Others after the service asked me to do what I could for the poor white-collar workers who are being driven out of the land by the decisions of the law courts, while we sit in the high court of parliament and do nothing. One of the cardinal principles of the British constitution is that the courts are subservient to the legislature. To-day in Canada we find parliament with nothing to do, its powers taken away from it and given to committees and commissions of all kinds. Where are the principles of magna charta? With liberty contracted in every direction, is there such a thing in Canada to-day as magna charta? In the last two or three years, at any rate, I have been unable to find it. It will be remembered that when magna charta was adopted it embodied in many forms the spirit of liberty. One provision was that:

No free man shall be arrested or detained in prison or outlawed or banished or brought to ruin, nor shall we set forth against him nor send against him, save by the judgment of his peers and in accordance with the law of the land.

And again:

No scutage or aid shall be imposed save by the common council of the realm.

"No taxation without representation." Is that the law in Canada to-day? No. We have appointed numerous outside bodies that are imposing taxation. It was in defence of that principle of no taxation without representation that the American colonies commenced their struggle with the British government. Yet under universal suffrage we see magna charta restricted, if not abolished, and almost kingly powers conferred upon magistrates in connection, for instance, with the restricting of bail. Thousands of people in Canada are in prison for debt. While such things are going on, liberty is a meaningless thing. Look at the penalties that are being handed out to juveniles fifteen and twenty years of age at a place called Guelph not authorized by law or the criminal code. Where is the spirit of magna charta to-day as regards trial by jury? What substitute have we? In many of the leading cities, the substitute for trial by jury is trial by newspaper. From the way some newspapers are allowed to carry on, trial by jury has become a farce; and when an appeal is made for law reform this parliament has not one member who will rise to say a word in favour of such reform.

All the great landmarks of our constitutional history, beginning with magna charta, going on to the Declaration of Rights, the Petition of Rights, and the Statute of Westminster, were founded on one principle; they were simply the reassertion of the principle of the subjection of the executive and of its members to the law of the land. It was the strength of the barons that made magna charta possible; a police force, so to speak, not to be used unless necessary, which gave us the liberty of our whole constitutional system. To-day that liberty is contracted. To-day the Canadian working man is at the mercy of arbitrary social conditions beyond his control. A century ago reform of the franchise secured the liberty of trade and industry for the mercantile and industrial middle classes. Later it was extended to wage earners; then women were given the franchise and their aid enlisted in the betterment of social conditions. We cannot afford any longer to sit still here and take no notice of what is going on in Canada. The danger to our freedom is greater from within Canada, than from without.

What is Canada's answer to all this? What is the answer of the House of Commons?

First, we should set our own place in order, overhaul the British North America Act, revise our parliamentary system, our constitutional system, our cabinet system, reform our house of parliament and increase its efficiency; above all, reform our social and economic life so that it will stand as a bulwark against the clamour and agitation of those forces which now find in our dominion so much scope for their work. We should adopt some system of Christian socialism for the workers of this country, the white-collar employees, the artisans and the farmers. A system of Christian socialism was brought in a hundred years ago by the industrial revolution. A similar movement brought about the evangelic and Oxford movements. There were great social reforms brought about in England a hundred years ago and similar reforms have been long overdue in Canada.

We must strive for freedom from within. We must be ever on our guard. Freedom from without will be taken care of by those who prize it even unto death. It was the armed strength of the barons which made magna charta possible, and it is the armed strength of the British Empire which will ensure the freedom of the British people. History shows that disarmament is impossible in a world where intolerance is so rampant. The disarmament of the free is the tyrant's chance now as in the days of King John.

We have been sitting here for many sessions talking about everything and doing nothing. Whenever reform has been mentioned we have been faced with that comedy of errors known as the British North America Act. As I said a few years ago in another debate this act is a relic of days long gone by. The workers of this country have been made to suffer great hardship because of the British North America Act, because back in 1867, certain wise men, whose vision was poor, loaded the provincial system on to the federal government. This is entirely opposite to the system which prevails in England and the United States. In 1867 there were no joint stock companies, there were no telephones, there were no power developments, no N.R.A., no eight hour day, and many of the great discoveries in science and medicine had not been thought of. The authors of the British North America Act did not play squash or badminton and they left us this relic as a result.

A lot of provincial legislatures were created. These are all spending money and the result is over-taxation. These provinces are nothing but a lot of Balkan states fighting among themselves, and the taxpayer is made to pay. The shortsightedness of this act of 1867 should not be allowed to continue any longer because it has brought about in Canada the creation of a state equivalent to slavery among our men, women and children. Our workers are living in nothing less than hovels; they are being forced to exist in a state of slavery. Yet we sit here as a parliament and do nothing. On April 1 of last year I made the following statement in this house:

> I would like to say a word or two in relation to industrial employment, because I want to contrast with the precepts of Christianity the way the industrial workers are used. Contrast our professions with the ruthless competition, the cruelty and vice of present day business and industry. Here personality counts as nothing, the dollar is all supreme. Modern life is machine life, soulless, a life of standardization, high speed production, a highly efficient organization for the making of profit. Everything is done in the mass, and life is made uniform, monotonous and artificial. Dividends are the chief objective; to get dividends human beings are sacrificed. Wages are shockingly low, often below the level of mere subsistence, so that people are forced into immoral and criminal ways of life to eke out a precarious livelihood. The maximum in hours of work is exacted in return for the minimum in wages. Senior employees, whose lifeblood has been drawn from them by long years of faithful service, are in many cases cast out without retiring allowance to make room for younger and cheaper people. It matters not what suffering is entailed for human beings so long as the stockholders are paid their dividends. This amazing selfishness and shortsightedness of the modern industrial system is creating a progressively lower standard of living and a vicious struggle for existence philosophy on the part of the people, increasingly serious social problems which must find their tragic solution either in war or in revolution. In the face of modern methods of competitive living the royal law of love, bear ye one another's burdens and so fulfil the law of Christ, is a hollow mockery in Canada, presumably a Christian country. This is the contradiction of modern life; a truly wonderful appreciation of the value of the single soul in some quarters, but an absolute denial of any such value in others.

At that time I was speaking on the National Employment Commission. We are now into another session and nothing has been done. Edmund Burke once said that government is supposed to be a practicable thing, and not a thing to please the schemes of ordinary politicians. Is that so of this country? It is not. We have appointed a lot of commissions, but nothing has been done. My opinion is that the senate could be made a much more useful institution than it is. Last year it did a good work in throwing out legislation for indirect taxation. The senate should consist of the lords of mind and intellect in this country and it should have increased powers. Look at what the senate of the United States did for the people of that country. They exposed the absolute rottenness

of the financial institutions of Wall street and various institutions throughout the country. Has the Canadian senate ever done anything like that? No. The senate should have increased powers; under a new constitution it could be more useful.

Under the existing party system there is no security against further taxation. Parliamentary reform should do two things. It should define how far a money bill which may ruin the taxpayers of this country may go, and it should devise machinery to save the country from revolutionary socialistic acts on the part of any government. Reforms of a certain nature should not become law unless the people have given their assent at the polls. I am not criticizing the Canadian senate, because I believe its membership includes a few of the brightest minds of the country. If we sometimes handled our business here as well as they handle theirs, there would not be much room for complaint. They should have the power to refer back any matter of an extremely controversial nature, and the people should have a chance to give their assent to certain reform measures.

The senate should be representative of all sections of Canada and should be composed of the best minds in science, the learned professions, the employers of labour, the trades unions and the cooperative societies. Such a body would command the respect of the people of Canada. Look at what the senate of the United States did for the people of that country. Governor Couzens' senate committee sat in Washington in 1927 to deal with unemployment problems. The report of that committee was available in 1930 and when the depression came they coped with it. The senate of Canada should have done something about this great problem.

In conclusion I should like to say a word or two about law reform. A learned Scotsman told the law society at Osgoode Hall in Toronto a year ago that the lawyers have to clean up the messes made by the politicians. I commend those words to the government. Law reform has become a meaningless thing in this country. Our gaols are filled with young people whose only crime is that they cannot get a job. It is predicted that in England in fifteen years there will not be any prisons left, owing to the law reforms they have brought and are bringing into effect in the old land. What are we doing? We sit around and do nothing. We refer matters to the supreme court and the privy council, and then refer them all back again. We send to the supreme court and the privy council a lot of abstract questions about the new deal legislation of 1935, instead of submitting concrete cases to the courts. England has had a system of unemployment insurance ever since 1900, but we are still talking about it. We have to wait to hear from the law officers, and before we hear from them probably the workers now living who would benefit from unemployment insurance will be dead.

There are several reforms that need to be made. There is trial by jury, for instance. The Minister of Justice and the leader of the opposition are benchers of the Law Society of Upper Canada, and must be interested in these questions. As was said before the law society last year, the lawyers have to clean up the mess which the politicians made, and it will be a big job for the lawyers when this parliament gets through talking about the new deal legislation. The new deal in this country was all right, if only hon. gentlemen opposite when they were sitting over here had given the new deal a chance, instead of injecting doubts and throwing buckets of cold water over it. They would have given it a chance if they had had any desire to help the working people of this country.

I have in my hand a copy of another act which is helping to clean out the prisons in England, the Money Payments (Justices Procedure) Act, 1935. This act gives poor people time to pay the fines that are imposed. My bill last year was rejected by the Justice department, and I think, Mr. Speaker, we shall have to change the name of that department to the department of injustice, because people can still be imprisoned for debt in this country. It is no wonder that with such acts as this Money Payments Act and others which they have in England the prisons over there are being cleaned out. They have an up-to-date system, and have made many law reforms.

Talk about the new despotism! We have imprisonment for debt in this country, bail refused in trivial cases, and so forth. The whole system is a relic of the middle ages. No wonder it was stated at page 9 of the housing report of 1935:

> Slums are a heavy indirect charge on the community. It is estimated by the bureau of statistics that crime costs us in Canada $60,000,000 per year, taking into consideration the lost time of those in our criminal institutions. The Department of Health estimates that public health costs us, including all phases such as medical fees, hospitalization, etc., $20,000,000 per year. These figures would be substantially reduced by the elimination of overcrowding and bad housing.

And, I might add, by urgently needed law reforms.

Mr. SPEAKER: The hon. gentleman's time has expired.

Mr. J. R. MacNICOL (Davenport): Mr. Speaker, in rising to support in a general way what I believe to be the objective of the motion moved by the hon. member for Broadview (Mr. Church), I propose to confine my remarks chiefly to the effect which the present very high cost of government in Canada has on business, and through business, on employment in industry and in business. The hon. member in his motion refers to overgovernment and overtaxation, both of which we have in Canada, and both of which in my humble opinion, which I shall attempt to back up with facts, have had and do now have a very serious effect on employment.

I am pleased particularly with that part of the hon. gentleman's motion in which he suggests the appointment of a select committee of this house or of a joint committee of both houses of parliament to consider the subject matter of this resolution. I am glad that he suggested a committee, and not a commission, because this country has at present sixty commissions, if not more, the majority of which are overstaffed and overpaid, and the great majority of which are costly millstones on business in this country, and through business on employment. I am convinced, as the hon. member has said, that the members of this house and of the senate should do a lot of the work which is now being done by these sixty or more commissions that have been inflicted on the country.

A word or two on the cost of government in Canada. We have ten parliaments; we have a council in the Yukon; we have one senate, and I believe we have one legislative council. There are approximately 884 legislators of one kind or another, 764 of whom are elected and 120 appointed. If one looks into the administrative structure of the very large institutions in the United States, infinitely larger than anything we have in Canada, handling far more money than does the government of this country, and having many, many thousands of employees, I do not know of a single instance—and I have looked into the structure of many of them—where they have such an enormous and costly staff as this country has, including members of this parliament and the legislatures, to run our business. I am convinced that the cost of government in Canada could be very materially cut down.

I read a few days ago—and I confirmed it to-day—a statement issued by our own bureau of statistics, that the debt of Canada and of its provinces and municipalities, direct and indirect, but not including the indirect debt of the municipalities, now totals almost seven billions of dollars. This is an enormous debt for eleven millions of people to carry. It is a staggering millstone on production in this country, and is one of the major reasons why industry has slowed up. It is one of the major reasons why so many industries which I knew but which are not now in operation, have been compelled to close their doors.

I think the hon. member for Broadview was correct when he said that the provincial governments are doing or attempting to do much work which this parliament should do, and which is only interfered with by the legislatures. Just how that can be remedied I do not know, but perhaps a joint committee of this house and the senate, in association perhaps with a committee from the provincial legislatures, could bring about reforms along that line.

The bureau of statistics tells me that the provincial debts of the nine provinces are very close to $1,700,000,000, and that they are ninety-nine per cent higher than they were ten years ago. This is something for business men to stop and consider because we cannot go on in the way we are going. It imposes too overwhelming a cost on industry, and through industry on employment. That is what I am mostly concerned about. All my working days I have been studying the question of employment, and I know that every cost of this kind which is added to industry reduces employment. When we come to the third branch of government in this country, the municipalities, I find that the 4,200 municipalities in Canada also have a debt amounting to about a billion and a half. To try to carry on under the triple burden of federal, provincial and municipal taxes, industry and business are faced with a very difficult task. Business in Canada has had inflicted upon it taxes which it is now almost impossible to bear, and I will mention a few of these taxes. I say they have been "inflicted" upon business, and I think that is the right word. Perhaps some of them are absolutely necessary, perhaps most of them are; but at any rate they have been inflicted to a large extent upon employment itself. For instance, we have the sales tax, the excise tax, the income tax, the stamp tax, the tax on cheques, the business profits tax, a small one in connection with the radio, the corporation tax, the municipal business tax, the tax on capital, taxes on gross revenue, taxes on branches of industry. If a company has its head office in Montreal and branch offices in cities throughout Canada additional taxes are inflicted upon these branches, notwithstanding that they give employment. Then we have other taxes—the poll tax, the property tax,

the gasoline tax, the picture show tax, soft drink and hard drink taxes and a hundred and one varieties of other taxes and licences.

A considerable number of these taxes are either duplicated or, as sometimes happens, levied from three directions. Take for instance the income tax. In Ontario we had a municipal income tax and a federal income tax, and now the province itself has taken the right to inflict an income tax on the people of Ontario. The gasoline tax is imposed in Canada in at least two ways and in the United States sometimes in three ways. If there are three gasoline taxes in the United States it will not be very long, if that tax is not now collected in Canada by three different taxing bodies, before every gasoline user will be compelled to pay taxes three times on his gasoline. When I was in the state of Mississippi last summer I had to pay a state tax of six cents on gasoline, a municipal tax of two cents and a federal tax of one cent. I do not know how many other states have it three ways, but every state in the American union has it two ways, federal and state.

All these taxes, whether we like them or not, do add to the cost of production, as every industrialist knows if he has trucks, and cars for his selling agents. Every one knows that these taxes add to the cost of production.

I was struck by an editorial that appeared in the Kingston Whig-Standard some time ago. This is an old, reliable newspaper, a supporter, I believe of the government of the day, and some fine editorials appear in it. It is a famous newspaper going back very many years, and the editorial in question, with which I very largely agree, refers to the present government of Ontario, though what it says is applicable to many other provincial governments. For my part I do not want to apply it to the present federal government. However, this is what it says:

> We do not mean to reflect upon the capabilities of the members of the government, but not one of them has to-day any actual business connection, so far as we are aware, nor has any one of them had the difficult task of piloting a business through the depression and endeavouring to keep men at work. The government is composed of two doctors, four lawyers, one engineer and three farmers. Naturally, when any matter comes up affecting manufacturing, or wholesale or retail business, or even the capitalists of the province who finance business, there is no one to put forth their side of the question.

As I say, I do not wish to refer to the present government, nor in what I am saying have I any reference to the previous government; but apart from those two I am convinced that it may be said quite truthfully of all governments in Canada that they have had far too few business men in administration. I am not suggesting that a high class lawyer like my hon. friend from Middlesex West (Mr. Elliott), who is looking at me, knows nothing about business, but I would ask him to say whether he has been engaged practically in giving employment to five hundred or a thousand men in his time. What I say is that the man who provides employment, who is associated with the strenuous business life of the country, who is buying and selling and processing material and having it distributed throughout the country, always anxious to see that it gives satisfaction, is the type of man we too seldom find in the government of the country.

Mr. LAPOINTE (Quebec East): When he gets into trouble he goes to his lawyer.

Mr. MacNICOL: And many a time his lawyer has misdirected him, as I have seen.

Mr. LAPOINTE (Quebec East): But he keeps on going.

Mr. MacNICOL: I am not one of those who believe that lawyers are infallible, because, as I have observed too frequently, if you go to five different lawyers they will give you five different kinds of advice. What the Whig-Standard says with regard to government I endorse, and that is not making any reflection on any hon. member.

Before I conclude I want to show exactly what has been the result of the high cost of government and the intolerable tax burden that has been imposed by government on business; and so as not to mention any Canadian business concerns, many of which have been forced out of business, I will refer to one that interested me intensely last summer—the Amoskeag concern, one of the greatest textile manufacturing companies in the United States. That company had been operating 700,000 spindles. It had 20,000 looms and its 22,000 employees—that was the maximum number—turned out in five days enough cloth to go around this world, a length of 25,000 miles. To-day that business is closed, and the closing was due among other things to the cost of government. This was the statement of the board of directors to a commission sent to investigate. The plant is situated on the Merrimac river in the state of New Hampshire. It had ample power, not unduly expensive, but during the last two or three years the A.A.A. set up by the United States government took out of that concern for processing tax close to $3,000,000. When they closed they had, I believe, over 12,000 employees; the number had been reduced from the high point, but even 12,000 is a large

number. This industry was the mainstay of that fine city of Manchester and one of the great business enterprises in New Hampshire. The commission reported that the high taxes were an important factor in the inability of the plant to operate at a profit. It is so easy to inflict taxes on industry. People who know nothing about giving employment to hundreds or thousands of men, and the tremendous difficulty of keeping them employed, are ready to pile up taxes on industries. I am not defending the industry that exploits people, as some do; the great majority of industries do not, but unfortunately all suffer because of one that does not play the game. I have often wondered why the government cannot take care of the industrialist who does not play the game. In my opinion the government can, but why should all industry be attacked because one offends?

The commission recommended the repeal of the stock in trade tax and easing of local taxation, especially on buildings not now in productive use. There is a point; a plant may have a dozen buildings, several of them perhaps not in use for one reason or another, perhaps not fit for operation; yet the tax is imposed on the whole plant whereas it should be imposed only on the part that is actually operating and giving employment. The commission found that the federal processing tax imposed by the A.A.A. under the cotton control scheme wrought serious injury. The tax amounted to $2,500,000 in two years. The commission recommended the reduction of local and state taxation and insisted on the necessity of economies in state and local government.

After all, the purpose of government, and the object of all who really love their country, should be to provide employment, in either the primary or the secondary industries. In Canada I believe about a million men and women are engaged in the secondary industries, processing what has been produced by the primary industries. Any legislation or taxation which interferes with industry reduces employment, and that cannot be beneficial to the country. Employment is the major problem of any government. Later on, when the Minister of Labour (Mr. Rogers) brings in his report about employment, we shall have a lot more to say in that regard. But it is the purpose of government to promote and ensure the employment of the people. Every man or woman has an inherent right to employment, and that which obstructs employment is not good for any country. In Canada the high cost of government tends to restrict opportunities of employment for our artisans. That great plant of which I have spoken is much larger than any I have in mind in this dominion; it stretches for several miles up and down both sides of the Merrimac river, in many cases two or three rows of fine buildings, standing vacant, a warning to all those who seek to provide employment.

In this country to a smaller, but still too large a degree, the high cost of government is a serious menace to employment. We have at the present time certain commissions investigating industry in this country. I am not opposed to investigating industries which have been found wanting in honour and lacking in due sense of responsibility to the people, but I am opposed to the practice of withdrawing executives from their offices in large numbers, particularly in times of depression, when they should be diligently occupied in seeking ways to provide more employment. I am opposed to these constant demands on the executives of industry. I know what it is to be taken away from an office for two or three weeks at a time to answer a lot of silly questions. Sometimes, perhaps in order to find out something, questions that seem silly have to be asked, but to me at any rate many of the questions asked of these men are silly and in many instances work hardship on men who are trying to make business grow and to give employment. In all too many instances these men drop dead in their offices or die from overexertion on returning home. More care should be exercised on the part of the government about asking those who direct business to come to Ottawa for these investigations. The executives responsible for operating a plant should not be disturbed more than is absolutely necessary, for to disturb the executives disturbs employment in some measure at least.

One word in regard to the cost of municipal government. As one goes around our big cities to-day, Montreal, Toronto, Hamilton and elsewhere, one sees wreckers pulling down fine buildings. I have in mind one in Toronto, on one of the main streets of the city, close to a main corner, pulled down not long ago. I inquired why it was being pulled down and was told by those who knew, that it cost too much to keep it standing, the taxes were too high. It had been vacant for a short time, and by pulling the building down they had to pay taxes on the land only. That seems to me a mistaken policy. I cannot see how the national wealth can be increased by destroying such buildings. There should be some way by which municipalities could lower the taxes on unoccupied buildings. This is just one more way by which cost of pro-

duction is increased, and every unnecessary cost added to production adds to unemployment. I do not want anyone to think I am stretching that in any manner. Someone may say a tariff adds to the cost of production.

Mr. GOLDING: Hear, hear.

Mr. MacNICOL: An hon. member says, "Hear, hear." Very good, but in my time I saw a plant grow under the tariff from a personnel of thirty-seven to a total of nine hundred and twenty-five. That plant was a child of the tariff, one might say. The purpose of a tariff is not to increase the cost in a general way, and the government should regulate the tariff in order to prevent anyone from using it to exploit the people. It would be along that line that I would work if I had anything to do with the formation of tariffs. My sole purpose would be this: if a tariff would give employment by encouraging production in this country I would impose a tariff, but on the other hand I would take strong and vigorous measures to prevent the use of that tariff for the exploitation of the people.

Hon. ERNEST LAPOINTE (Minister of Justice): Mr. Speaker, the activities of the hon. member for Broadview (Mr. Church) are very diversified, and this is a sort of omnibus resolution which embraces many different subjects. I am sorry I cannot support the resolution, because I have always had a great liking for my good friend, and especially have I had a high opinion of his judgment since I saw him cheering the Quebec hockey team here in Ottawa last week. I should like to read the resolution, in order to show its wide scope and what would be involved if it were adopted:

> That, in the opinion of this house, constitutional, parliamentary, cabinet and law reform are long overdue in Canada—

That sentence is less than three lines in length, but it includes almost everything.

> That with a view of increasing the efficiency of parliament and of government in this country and also of considering the whole question of over-government and over-taxation and giving the people a more modern constitution adapted to the solution of Canada's present day problems, a survey and study should be made either by a select committee of this house or by a joint committee of both houses of parliament with a view of having a report presented to both houses of parliament for these very necessary reforms and for legislation accordingly, so as to increase the efficiency as well as the stability of government in Canada.
>
> Any such suggestions as aforesaid to be subject to the existing rights of minorities which are not to be interfered with but preserved.

[Mr. MacNicol.]

The resolution, which is expressed in such sweeping, general terms, is not very easy to comprehend or to discuss adequately in all its implications and objects. The scope of the resolution is extremely wide, and it may be said with some truth that if this House of Commons set up a committee to consider all the things mentioned in the resolution it would be an investigation of a formidable character. It is obvious that to achieve the purpose of the resolution the constitution would have to be altered substantially; the British North America Act would have to be radically amended, particularly in regard to the matters in which all the provinces are interested, and such changes could not be attempted without at least some degree of consultation and agreement with the provinces concerned.

As to the various topics suggested by the resolution, I shall say only a word or two with regard to each.

The question of constitutional reform was debated in this house the other day on a resolution moved by the hon. member for Rosetown-Biggar (Mr. Coldwell), who also suggested the setting up of a committee to consider amendments to the British North America Act. Possibly this part of the resolution might have been stated to be out of order, because it deals with a matter already dealt with in a former debate; perhaps, therefore, I need not repeat what I stated when the resolution of the hon. member for Rosetown-Biggar was under consideration. May I say merely that this subject has been considered by a dominion-provincial conference, by a committee of that conference and by a committee of experts which drafted the amendments which ought to be made and which even drafted a bill to be submitted to the imperial parliament for the purpose of giving Canada the right to amend the British North America Act. That work is not yet concluded.

With regard to financial questions a subconference was set up under the chairmanship of the Minister of Finance (Mr. Dunning). That was done last year, and it was agreed that an attempt should be made through an amendment to the British North America Act to define clearly the right of the provincial authorities to levy particular taxes and to remove any legal doubts as to certain forms of taxes of which the provinces desired to avail themselves. In pursuance of this recommendation of the subconference, which recommendation was accepted and supported by the various provincial governments as

well as by the dominion government, last year a resolution was introduced into parliament providing for the adoption of an address to His Majesty to amend the British North America Act by way of an enactment of the imperial parliament, in the first place to widen the field of taxation available to the provinces by extending their legislative jurisdiction to include certain forms of indirect taxation, and, in the second place, to facilitate the granting of guarantees to provinces that could not finance without such guarantees. That resolution was adopted by this house but was amended by another house and failed of adoption there mainly on the ground that the proposal to confer on the provinces certain powers with regard to indirect taxation would disrupt the fundamental scheme of the British North America Act. The Prime Minister yesterday made an announcement that a royal commission would be appointed for the purpose of going into this whole matter of taxation between the dominion government and the provincial governments in order that any necessary financial adjustment might be made to enable the provincial legislatures to administer the matters entrusted to them under the British North America Act.

As to parliamentary reform, I do not conceive clearly what my hon. friend has in mind in this regard. If it is change in the representation in parliament, this is a very difficult matter which should not be part of a general resolution of the kind now proposed. If it is a change in the representation in the senate, or the substitution of an elective or partly elective senate for the present one, I might agree with my hon. friend, but he has not mentioned what scheme he would support. I do not know whether I myself could support it, but there might be improvements to be made in the light of the circumstances as they have been since 1867. Does he intend merely to alter the procedure in the House of Commons? He spoke about a committee on the estimates. Such a committee has been proposed many times in this house, but private members do not like the idea that they should be deprived to some extent of the opportunity of saying what they have to say on any items of the budget by letting a committee of their colleagues deal with those matters. I think there would be many reasons in favour of the creation of such a committee, but apparently the suggestion has never met the favour of the majority of this house, let alone unanimity, when it has been discussed.

My hon friend is certainly wrong when he says that this parliament is not a chamber of liberty but is killing liberty. I do not believe that there is anywhere in the world a freer parliament than the parliament of Canada. We have not even the restrictions which free houses such as the British parliament and the United States congress have imposed upon themselves, by way for example, of the "guillotine" and the restriction to one or two days of the discussion of various matters. Here we have perfect freedom. If my hon. friend has anything to complain about, it is not that there is no such liberty; it is perhaps that there is too much. It is certain that this parliament has not killed liberty. I need only refer to the proceedings of the last few days on the motion with regard to military expenditure. May I tell my hon. friends that if such speeches were made, or even if such motions were proposed, in some of the old parliaments in Europe or elsewhere at this time, those who made them would be in gaol instead of listening to me. No; as far as liberty and freedom are concerned we have them in Canada, and we should strive to maintain those privileges rather than express complaints which are certainly unjustified.

As to cabinet reform, there again I fail to understand what the hon. member has in view, because he has not expressed it. Perhaps cabinet reform would mean the change of the present ministers by substitution of others.

Some hon. MEMBERS: Hear, hear.

Mr. LAPOINTE (Quebec East): I observe that my good friend from Mount Royal (Mr. Walsh) applauds this sentiment, but he is not serious about it. Cabinet reform—is it the number of ministers? Well, the number has been reduced from twenty-one to sixteen, and, knowing what I do know of the amount of work that has to be done, I do not think it is possible to reduce it further. It is all very well to say that the United States have fewer ministers than Canada has, but they do not do anything else but look after their respective departments. They do not sit in congress or in the senate; they do not participate in legislative work; they are only administrators of their own departments, whereas ministers here have to attend the sittings of the house and committees and to look after all sorts of additional work. In the absence of any suggestion in regard to cabinet reform, I fail to see what can be done in that regard.

As for law reform, there again what the hon. member has in view is not apparent. Law reform, like parliamentary reform, embraces a great variety of proposals. Does he suggest the amendment or repeal of certain federal statutes, or bringing them into harmony with

provincial laws? I do not know. What I do know is that after the last dominion-provincial conference a committee of dominion and provincial officials was convened in Ottawa to consider the Dominion Companies Act, and they have succeeded in securing a basis of proposals to the various governing bodies which would make uniform throughout the dominion laws dealing with companies.

As to other questions—and there are many—regarding government and over-government, there again I sympathize with some of the remarks made by the hon. member for Davenport (Mr. MacNicol). There are in Canada many parliaments, but it is the result of overruling circumstances; for without the provincial governments having been retained and maintained it would have been impossible to reach agreement on any scheme of confederation; we should not have been able to form a national government in Canada. Possibly it would be in the financial interests of at least some sections of the country if two or three provinces were united into one, but that is their own business, and it would be not only futile but an impertinence on the part of any committee of this house to study the question as to the organization of the provinces.

As to overtaxation, this is a matter which has engaged the attention—

Mr. BENNETT: Hear, hear.

Mr. LAPOINTE (Quebec East): —of the dominion government, and I see that it is engaging the attention of my right hon. friend. One of the questions considered by the subconference on financial questions of the dominion-provincial conference of 1935 was "duplication of taxation and possible reallocation of tax sources as between the dominion and the provinces." A discussion of the evils of duplicate taxation in Canada and of the relative jurisdiction of the dominion and the provinces in the field of taxation resulted in the detailed consideration by the subconference of the following suggestions:

1. That the dominion should abandon the field of income taxation, leaving this field solely to the provinces.
2. That the dominion should continue to impose a sales tax but should turn over to the provinces all or part of the proceeds of this tax earmarked for unemployment relief.
3. That the dominion should upon request of any province assume responsibility for the collection of the provincial tax on individual incomes; the dominion to collect the tax for the provinces on the basis of rates fixed by the provinces and to remit such taxes to the provinces.
4. That a study should be made of the possibility of unified collection by the dominion of succession duties, the dominion either to remit the proceeds to the provinces or to retain them as a source of revenue in exchange for either the transfer of other tax sources to the provinces or the assumption of governmental services now performed by the provinces.

[Mr. E. Lapointe.]

There was a diversity of view in all these matters and no agreement was reached respecting the proposal to transfer tax sources from one authority to another. But there was general agreement that where both dominion and provincial authorities imposed the same type of tax, cooperation in the administrative field should be worked out in order to reduce unnecessary cost and inconvenience to the taxpayer and to produce increased revenue to governments.

Following the dominion-provincial conference of 1935, an arrangement was concluded between the dominion and the province of Ontario for the administration and collection of income tax on behalf of that province. The Ontario income tax is now being administered by the income tax division of the Department of National Revenue. A considerable economy in respect to cost of administration is being effected, and the inconvenience to the taxpayer, who is required to make out only one form, is reduced to the minimum.

I have referred already to some of the remarks made by the hon. member. He complains that in connection with parliamentary reform we have been talking too much since the opening of the session and not doing enough. I suppose he excepts himself from that indictment. He must realize that it is pretty hard to restrict the freedom of members who have or think they have something important to tell the house and the country. My hon. friend also says that there is no freedom of the press. I cannot see that. He says there is no freedom in the legislatures and no freedom in our pulpits. Why say that? We are free in Canada to say what we want to say in our legislatures and in our pulpits. The hon. member complains about newspapers giving only one column to parliamentary matters while they give three columns to the discussion of turf matters. I fail to see what a committee of this house could do about that. Newspaper owners publish what they think will best sell their papers to the people, and I do not think we could change that by any legislation or by the recommendations of any committee. The hon. member says that our churches are empty, that there is no longer any liberty in our pulpits. I may say that the church to which I go is far from being empty. I invite my hon. friend to come with me and I know he will see many people there.

Mr. SPENCE: Perhaps you do not go often enough.

Mr. LAPOINTE (Quebec East): That is something I shall discuss privately with my hon. friend.

This resolution involves a number of very important matters were they discussed apart from one another, but I fail to see how they could be a matter of investigation by a committee of this house.

Mr. G. E. WOOD (Brant): Mr. Speaker, I regret very much that I did not hear the hon. member for Broadview (Mr. Church) speak to this resolution. I was interested in what the hon. member for Davenport (Mr. MacNicol) said with regard to high taxes making necessary the destruction of so many buildings. Some people are ready to recommend a revision of the British North America Act or some other method of getting us out of these dilemmas in which we find ourselves, but I am inclined to think that we should spend a little more time and energy in an attempt to keep from getting into these dilemmas in the first place. I should like to direct attention to a condition of affairs which exists in many of the municipalities in Ontario. The reason why taxes are so high at the present time is found in the extravagance of the past. We now find that we cannot maintain the standard of living we set up. Not very long ago my attention was called to the annual report of the bureau of municipal statistics. One of the striking features of this report is that the people who do the most complaining about the cost of keeping up our standards of living, live in the very sections which enjoy the highest standards. These people do the most grumbling about paying for these things, and object to the taxes levied therefor.

I find that the total city municipal debt of the province of Ontario is $343,900,000, while the total municipal debt of Toronto alone is $188,000,000, or considerably over fifty per cent of the total city debt for the province. Considering this debt on a per capita basis, we find that the debt of Toronto is $302 per capita as compared with a per capita debt of $147 for the whole province. Let me draw attention to the difference between city, village and township taxation. The average per capita debt of the cities throughout the province of Ontario is $250, while some of our villages and towns have a per capita debt of only about half that, and in the rural municipalities the average per capita debt is only $45. If we could have an amendment to the British North America Act which would instil into the minds of those who are responsible for municipal government the necessity for frugality and thrift, I think we might accomplish something. But we boast about our liberty and give the people in our municipalities the right to formulate any policy they see fit to adopt, and the result is they have no qualms of conscience in mortgaging the future of the people who live in those communities.

Mention has been made of the moral standard of the people being so much lower. I do not think anything does more to lower the moral standard than debt. There are many people who through no fault of their own are endowed with only minor talents; for the parable of the talents still holds good —some are blessed with ten talents, some with five, and some with only two. And the man with only two talents in the complexity of our civilized life of to-day finds it very difficult to make a living and carry the heavy burden which the state places upon him. The result is that these people are forced to do things they otherwise would not do, and there is no doubt that they have to carry their share of the taxes, because concealed in the purchase of everything they buy for their household is a part of the taxes and the debts. That makes it very difficult for them to maintain the standard of living they would like to have. Hunger is one of the things which forces people to do things they otherwise would not do.

I would also draw attention to the fact that the major portion of our total income tax assessment comes from industrial and financial centres, and they are the ones who seem to have made the poorest use of their opportunities. The city of Toronto, for example, has an income assessment of $49,000,000, while the total for the province is only $86,000,000; in other words, Toronto's assessment is about 60 per cent of the total.

Coming back to the counties of which I was speaking a few moments ago, I see that there are seven counties listed here, out of a total of thirty-eight, which have no debt at all. I should like to take this opportunity to pay tribute to the hon. Deputy Speaker (Mr. Sanderson) who represents one of those counties, the county of Perth. It has furnished a very striking example of frugality in the province of Ontario. If you will go through this list you will find that the per capita tax in those counties is such that men can still make a fair living without having to share too much of their income with the tax collector.

Speaking of this virtue of thrift, I am very proud to say, and possibly the Toronto members may take a leaf out of the book of some municipalities outside their own, that in

the county of Brant in the last six years we have paid off $140,000 of our regular debentures. That included, of course, interest and principal. On top of that we paid $99,756 cash on our twenty per cent share of the cost of provincial highway construction, which amounted to nearly $1,500,000. From 1930 to 1937 our county debt has been decreased considerably, and it is now about twenty per cent less than it was seven years ago at the beginning of the depression, in spite of the heavy commitments of the twenty per cent obligation in respect of highway construction.

The sponsor of this motion (Mr. Church) might well pay heed to what other municipalities have done instead of criticizing everything that comes along. The other day, for instance, I noticed that he was very militant on the housing legislation, and said that Toronto had received under the home improvement scheme only $103,000. Well, if I were in the lending business and observed the financial record of some of our municipalities, I think I would be reluctant to extend credit very much further to those who do not make a better showing in administering their own affairs.

Mr. CHURCH: Mr. Speaker, I ask leave of the house to withdraw my motion.

Motion withdrawn.

PROBLEMS OF WESTERN CANADA

PROPOSED APPOINTMENT OF ROYAL COMMISSION TO STUDY AND REPORT ON ECONOMIC AND PSYCHOLOGICAL CONDITIONS

Mr. R. A. PELLETIER (Peace River) moved:

Whereas, the western Canadian provinces have materially increased in wealth and population since entering confederation;

And whereas, the geographical location of Canadian financial and industrial centres have prevented friendly understanding of western Canadian life leading to an accumulation of grievances either justified or psychological, tending to disrupt the harmony of confederation,

Therefore be it resolved,—That this parliament would serve a great need and greatly enhance Canadian unity by appointing a commission to investigate broadly the various problems of western Canada, both from an economic and psychological point of view and to bring in recommendations to this parliament

He said: Mr. Speaker, on February 1 last, speaking to a resolution moved by the hon. member for Rosetown-Biggar (Mr. Coldwell), I took the opportunity to make to the house a statement regarding certain problems of western Canada, and at that time I laid down two rules which I think will bear repeating.

The first rule is this: The vitality of national life, being dependent upon the harmony of its component parts, is capable of resisting temporal erosion in proportion to the degree in which harmony exists.

The second rule is: The deterioration of a political entity, subject to the diversity of its constituent elements, is slow or rapid in proportion to the fractional facets of its local problems.

It would appear that many others hold these views because since I last spoke on this question I have come across various suggestions more or less in line with the ideas expressed in my resolution. For example, a letter was addressed to the Prime Minister (Mr. Mackenzie King) by the Canadian Chamber of Commerce, over the signature of Henry W. Morgan, dated January 28, 1937, and reading in part as follows:

> The Canadian Chamber of Commerce is at one with the government in recognizing that unusual financial difficulties are presently facing the prairie provinces. The chamber therefore notes with satisfaction that the government is in close touch with these emergent financial conditions, which with governmental concurrence, are now being reviewed on the ground.

And further on:

> However necessary the above recommended survey may be to remedy effectively these special western problems, the Canadian chamber is unanimous in pressing strongly for the immediate naming by the dominion government of a national commission, whose functions, inter alia, will be federally and provincially, (1) to clarify the inter-relation of financing and taxing powers, (2) to survey the duplication of public services, (3) to redefine legislative policies and (4) to establish administrative responsibilities. Many of the actual relationships between the federal and provincial governments have, we believe, become out-moded and need readjustment. . . .
>
> Because of the peculiar financial, economic, social and constitutional problems before the dominion, the present time seems particularly fitting for the empanelling of such a national committee.

It is to be noted that the Canadian Chamber of Commerce believes in a commission that would make an impartial and a thorough inquiry over the whole of Canada. While it might be desirable to adopt this suggestion, I am primarily concerned with western Canada and its relationship to Canada as a whole. I am not qualified to make a statement with regard to conditions in eastern Canada. The Canadian Chamber of Commerce speaks of these special western problems and I believe the interests of western Canada would be best served by a commission specially set up to study western Canadian problems.

Recently the president of the Canada Permanent Mortgage Corporation, addressing the

annual general meeting of shareholders in Toronto, said in part:

No one who is familiar with the history of the west will believe for a moment that the problem cannot be solved in a sane and reasonable way. Neither can any one fairly doubt that it is the sincere desire of all thinking men, whether they have a financial interest in it or not, that the problem should be so solved. What is required at the moment is assistance—sympathetic, of course—but, by all means, expert, and the suggestion which has been made that a commission, corresponding to what is known here as the "Duncan commission" of some ten years ago, should be appointed to deal with it seems to be a reasonable and proper suggestion. The future of the west is of vital concern to all of us.

It is also to be noted that this appeal is much more in accordance with the subject matter of this resolution. However, this organization is chiefly concerned with the financial problems of western Canada. A commission set up to study merely the financial problems of western Canada would, in my opinion, not be satisfactory to the west simply because the financial question is not the only one that needs to be solved. I intend to-day to review briefly some of the difficulties I pointed out on February 1 last, but I shall deal with these later.

Yesterday the Prime Minister's statement came to me as a surprise. I have read that statement very carefully. It is proposed:

—to appoint a royal commission of inquiry to investigate the whole system of taxation in the dominion; to study the division of financial powers and financial responsibilities between the dominion and the provinces; and to make recommendations as to what should be done to secure a more equitable and practical division of the burden to enable all governments to function more effectively—and, I may add, more independently—within the spheres of their respective jurisdictions.

I do not believe that such a commission would give satisfaction to western Canada. Nowhere in this proposed royal commission do I find that such questions as the tariff and immigration, freight rates and the question of subsidies, are to be studied. It is not my intention to relate once more what I pointed out on February first in regard to the tariff and these various problems. I believe that on that occasion I placed on Hansard a fairly complete analysis of these problems and I should like the Prime Minister to take into consideration the remarks which I made then. In fact, I might say that I should like to make those remarks a part of what I have to say to-day.

Something else took place in this house last week. The Minister of Agriculture (Mr. Gardiner) gave us what I considered a most able and comprehensive survey of the drought situation and its effect on western Canada. The terrible consequences of this situation were made quite clear. He showed the loss which the drought had caused to Canada as a whole and how it had aggravated the financial position of the western provinces. It was pointed out that this particular problem, because of its very nature, must be recognized as a national one. I had hoped that the minister would go on to show how the drought had compelled an increase in provincial expenditures, while at the same time it restricted the field of provincial revenue. Though this fact is well known to all hon. members, definite records would have greatly assisted all Canadians in obtaining a still more impressive picture of the situation.

But let us come back to the statement made by the Prime Minister yesterday. It appears that the royal commission will be set up as a result of a report made by the Bank of Canada regarding the finances of Manitoba and Saskatchewan. I regret that the Minister of Finance (Mr. Dunning) is not present to-day because I should like him to hear what I have to say. It appears further the Bank of Canada believes that unless financial assistance is given to Saskatchewan and Manitoba these two provinces face default, and therefore the dominion is of the opinion that in the circumstances it would be justified in extending temporary aid to the provinces in question pending the report of the royal commission. The Prime Minister concluded his remarks by saying that a recommendation to this effect would be made to the house when the supplementary estimates were brought down.

I wish to join with the leader of the opposition (Mr. Bennett) in protesting with all my might against what I regard as a discrimination. There is no doubt that Alberta faced a financial situation just as difficult as that faced by Saskatchewan and Manitoba, and Saskatchewan and Manitoba are to be saved by this dominion from default. Alberta, however, was allowed to default. If my memory serves me rightly, the reason given at the time this default was allowed to take place was that Alberta would not agree to a certain loan council which was then being proposed. I submit that the situation is unchanged; neither Saskatchewan nor Manitoba is being asked to agree to a loan council scheme. They are to be granted assistance without any strings attached, the reason given being that they face default unless the dominion helps them. Alberta also faced default, but it had to submit to impossible

conditions which are not now being exacted from Saskatchewan or Manitoba in order that they may receive assistance.

As the leader of the opposition said, no matter what explanation may be given, it is a fact that Alberta was allowed to default and find its own solution, whereas Manitoba and Saskatchewan are going to be saved by this parliament from this course. What happened on April 4, 1936? These are a few gems from the Financial Post of that date. I have before me a clipping from the Financial Post of April 4, 1936, in which the following statement appears:

> Rejecting financial salvation in the form of the proposed loans council scheme of federal aid, Alberta defaulted payment of principal of bonds maturing April 1.
>
> The maturing loan is $3·2 millions of six per cent bonds issued in 1916, and payable only in Canada, against which the province had sinking fund of some $560,000. The province is paying interest. . . .
>
> The dominion government was willing to aid Alberta in meeting the maturity, provided the provincial government subscribed to the loan council plan of financing.

And further on in regard to dominion policy, this statement is made:

> This policy has been applied to Alberta with the result that Premier Aberhart has chosen to default. Its next application will be to British Columbia.
>
> It is now hoped that the loans council plan will be of future service in salvaging provinces whose credit has suffered by reason of default.

And so on. But where is the loan council now? Why is Canada going to help Manitoba and Saskatchewan? Not because they have agreed to a loan council, but because the Bank of Canada says they need help.

I quite agree that the western provinces should be assisted, but once more I desire to protect emphatically against what is a serious discrimination against certain Canadians. Furthermore, I would point out that some of the policies adopted by the Minister of Labour (Mr. Rogers) have had a good deal to do with things which have happened in Alberta. It has been pointed out by many people that relief has increased in Alberta, and for that there is a reason which I can give. During the past summer certain moneys were granted by the federal government to Alberta to help unemployment through road relief projects, and one of the conditions attached was that no one who was not on relief could get employment on that work. What was the result? Everyone who was not on relief but wanted to earn a few dollars tried to get on relief in order to get employment and earn what he could. Therefore this had the effect of increasing relief in Alberta. That is one feature which merits consideration when the figures are being analyzed.

However, it is not my intention to speak particularly of Alberta. I feel the problems faced by all the western provinces are very similar, and when the Prime Minister announced yesterday that he would set up a commission to study the financial problems of the west, that does not go far enough. It may not be correct to say that he has adopted the suggestion from the Canadian Chamber of Commerce, but after a financial investigation by authorized persons he has come to the conclusion that the west needs financial assistance. Western Canada, however, will not be satisfied with simply an investigation or review of its financial problems. As I stated on February 1, there are many factors in western Canada to-day which are causing difficulty. Many people in the west feel that the east does not understand their problems. Some days ago it was said that eastern Canada responded and responded spendidly to the call for help from the west. I agree that that is a fact, but I also believe that western Canada should be given an opportunity to air all these grievances which have been fermenting in the minds of the people there. As I state in my resolution, some of these grievances may be fancied and others justified. But whether justified or psychological, they tend to disrupt the harmony of confederation.

I do not intend to cover again the ground that I traversed on February 1, but I should like the remarks I made then to be considered as part of what I have to say to-day. At present people in the west live under the shadow of wrongs, real or fancied. They fancy that eastern Canada does not understand them, looks on the west as a burden, a drain on the federal treasury, thinks the east pays the bills while the west lives in irresponsible affluence. When the western people think of what they have gone through during the last few years, the drought they have faced, the plagues of grasshoppers, the hot winds that have blown away their seed many times, and the impossible conditions under which they have had to live, they naturally feel bitter towards those who are not prepared to give them the sympathy which they deserve. Even though this resolution has come up after the statement given to the house yesterday by the Prime Minister, I trust there is still time for the government to reconsider the setting up of this royal commission and to give western Canada a really good hearing.

Mr. CAMERON R. McINTOSH (North Battleford): In rising to say a few words on this resolution, perhaps I had better touch upon the three main parts of it. The first part deals with the fact that the western provinces since coming into confederation have increased materially in wealth and population. That is a fact which cannot be gainsaid. Then we have the statement that because of the geographical location or centralization of financial and industrial power in eastern Canada since confederation, certain grievances have arisen, and that these grievances, whether justified or psychological, have a tendency to disrupt the harmony of confederation. There is a certain degree of truth about that too. Then in the last part of the resolution we come to the statement that this parliament should appoint a commission to investigate these grievances and problems and bring in recommendations upon which parliament could act.

In discussing this resolution, my hon. friend made one or two very broad statements, which I think can be refuted as being absolutely without foundation. One statement concerned the matter of government policy in regard to the grievances existing across the country from ocean to ocean, grievances which are nation-wide and are to be investigated by a national commission. The hon. member stated that the dominion in dealing with Alberta adopted a discriminatory policy. Where he gets such an idea, in view of the statement made in the house yesterday by the Minister of Finance (Mr. Dunning), I do not understand. If he will turn to page 922 of Hansard of yesterday he will find in the closing remarks of the Minister of Finance this clear-cut, definite, constructive and, I would think, convincing statement, referring to the question of discrimination raised by the leader of the opposition (Mr. Bennett):

> I can say, however, that the province of Alberta has been treated by this government absolutely without discrimination in so far as financial assistance is concerned since this government came into power; and I can go further and say that the government has no intention whatsoever of discriminating against any province in this dominion and is prepared to sit down with any province and discuss its problems and bring forward such solutions as the circumstances may appear to warrant.

Mr. BENNETT: If the hon. gentleman will permit me, that statement happens to be inaccurate—although I am bound to accept it—Alberta was driven to default, and people holding its bonds have in some cases been practically ruined because of the inability of that province to pay. The Minister of Finance would not help Alberta although it asked for help, and now the other two provinces are to be helped.

Mr. McINTOSH: In answer to the statement made by the leader of the opposition I would say that if Alberta is seeing evil days financially and industrially the fault does not lie with the dominion government, the Finance minister, or the Prime Minister of this country. It lies very largely with Alberta, headed by the government existing in that province at the present time.

Mr. QUELCH: What about Manitoba and Saskatchewan too?

Mr. McINTOSH: Rather than be diverted from my remarks may I touch upon what the Prime Minister said in the house yesterday in regard to this national commission which the government is to appoint to investigate financial and industrial problems from ocean to ocean, that is, all over Canada, in the maritimes, in the industrial provinces of Quebec and Ontario, in the three prairie provinces and in far-off British Columbia. This commission will deal with every province; it will touch upon every financial and industrial question concerning which there is any grievance in the country, and the terms of reference will be wide enough and ample enough to enable this commission to consider all the grievances of the nation, and after hearing the evidence and considering it in the light of reason, to bring in a report upon which legislation will be based and put into effect by the government of the day. In dealing with the power and scope of that commission the Prime Minister used these words as reported at page 922 of yesterday's Hansard:

> The difficulties of the prairie provinces have been greatly intensified by drought, and the earning power of their people has been affected accordingly. But other sections of the country are not free from problems of a similar character, although they may not be so acute. We have, in short, ample indication of certain fundamental strains and weaknesses arising out of our present allocation of financial powers and governmental responsibilities, and if no attempt is made to remove them, the ill effects will not be confined to the sections where they now appear.

In other words, all these fundamental grievances, all these complaints and strains not only of Manitoba and Saskatchewan but of all Canada, which surely includes Alberta, will be dealt with. They will all be dealt with impartially, not in a political or a partisan way but for the good of the whole country. When that is done we expect that a report will be brought in upon which progressive and advanced legislation will be based and enacted by the party now in power. That is the situation exactly.

May I say further, Mr. Speaker, that the resolution which has been moved by the hon. member who has just spoken (Mr. Pelletier) may have a certain degree of realism about it, but if I am not mistaken the hon. member is trying to place the blame upon a few financial and industrial organizations of eastern Canada for all the grievances that at present exist in this country. I think that is what is at the back of my hon. friend's mind, but I believe he is entirely mistaken. That is not true; that is the argument advanced by the hon. member and others of his group all over Canada; but it is not sound; it is not in accordance with the facts and it is not in accordance with history. We all admit that to-day there are serious problems facing the Canadian people. We all admit that we have problems affecting Canadian nationhood, problems with which we must deal and, to the best of our ability, solve, but I wonder whether there is any special financial or industrial organization or any special class of people or any particular individual responsible for these grievances. I would not think so. I believe we can truthfully say that the Canadian people themselves are responsible for all the problems confronting Canada to-day. Since confederation we have been dealing with national problems through the ballot box; every four or five years we have made pronouncements upon fiscal problems, tariff problems, financial problems and industrial problems, and on those pronouncements the governments of the day have acted. So I think it is rather late for any hon. member to attempt to pin upon any organization, financial or industrial, the responsibility for grievances that at present exist in Canada. I would say the Canadian people are responsible, and if they have made a wrong decision the only thing to do is to get busy and correct that decision.

In my opinion, Mr. Speaker, many wrong decisions have been rendered during the last fifty or sixty years. I do not believe our fiscal policy has been what it should. I believe that fiscal policy has been built up largely for the protection and development of secondary industry in Canada. Rather it should have been a combination policy, one for both the primary and the secondary industries of this country, with no discrimination shown. But what did the Canadian people do every time they were asked about the matter? They rendered a decision in favour of high protection, and they got it. That is democracy; that is responsible government. I would say that if we want these tariff, financial and industrial grievances rectified, the commission method is the right way to go about finding out just what are the difficulties. Then, when these grievances are corrected, we expect the Canadian people in future to keep themselves on more solid ground industrially and financially in considering problems of government. That is the proper way to proceed, rather than to deal discriminately with any one section or any one industry of the country. All the industries should be dealt with in a constructive manner.

I shall conclude, Mr. Speaker, by saying that in my opinion the government is to be complimented upon having decided to appoint a national commission to investigate the financial and industrial problems confronting the whole nation, not leaving out any one province but covering the whole country. After the fullest possible information has been secured, with all the facts pertinent to the matter, a report can be made, and upon that report action can be taken in order to enable the provinces and the dominion to function more successfully, more effectively and more constructively within the respective orbits of their jurisdiction. To my mind, if that is done we shall live in a new day in Canada, and I would say that the sooner this commission can get busy and bring in a report, and the sooner that report can be acted upon, the better it will be for all the dominion.

Mr. BLACKMORE: I should like to ask the hon. gentleman who has just taken his seat if I was correct when I understood him to say that the financial condition of Alberta in April of this year was the result of the misdeeds of the government in power during that month.

Mr. McINTOSH: What I want to make plain, Mr. Speaker, and what I wish to affirm is that if there is anything wrong with Alberta, financially or industrially, this dominion government is not responsible. The way to cure a condition of that kind is to go back and lead your own people to the constructive and sane solution of your own problems in a way that will mean a better day for the province of Alberta.

Mr. HEAPS: Then may I ask the hon. gentleman a question. Would he apply the same rule to Saskatchewan?

Mr. McINTOSH: Why, certainly. We can depend upon the people of Saskatchewan making a sound decision. There is no question about that.

Mr. BLACKMORE: Are not all the people of Saskatchewan Liberals now?

The DEPUTY SPEAKER: Order. Is the house ready for the question?

Mr. BLACKMORE: The hon. member did not answer my question.

The DEPUTY SPEAKER: Order.

Mr. BLACKMORE: Then I wish to say this: I understood the hon. gentleman to say that the condition of Alberta in April, 1936, was the result of the policies of the government which was in power in that province at that time. I challenge the hon. member to prove that the financial position of Alberta on April 1, 1936, was in any way due to the government in power in that province at that time. He absolutely cannot do it.

Mr. McINTOSH: The government of Alberta has a definite financial responsibility. It has had it for the last two years. It has not faced it aggressively or effectively. So much for the provincial government. While Alberta has not done that, I fear it has not done the next essential thing; it has not cooperated with the present dominion government in a manner to get anywhere. Because of these precarious limitations I suggest that the best thing for Albertans to do is to adopt a new perspective and a new type of action —cooperative action, and then, perhaps, Alberta will be more successful and contented.

Some hon. MEMBERS: Vote Liberal, eh?

Mr. McINTOSH: Well, they might do worse than that.

Mr. J. G. ROSS (Moose Jaw): Mr. Speaker, as has been said, the first section of the resolution before the house deals with the increase in population and the increase in wealth of western Canada since it came into confederation. My experience in that country started long before the west came into confederation. I have been forty-five years in that section of Canada, and since I have been old enough I have watched the development of western Canada.

When that country was first settled and the land broken up, naturally it would stand much more strain than it can at the present time. When I say that I am speaking of agriculture. In other words, when land is first broken up in a new country you have very few crop diseases, very few insect pests, and practically no noxious weeds to fight. During the first twenty years of occupancy of a new agricultural country, the cream, or a large portion of the cream, is taken out of that country, and in that period such a country can stand much heavier tolls than it can support at a later period.

Western Canada developed very rapidly. Part of its trouble came at the time of the great war. The people of the west were asked by the then dominion government to produce as large as possible a volume of foodstuffs for the armies overseas. They were urged to bend every effort to that end. As a matter of fact, we in western Canada who had not gone overseas and were on the land did bend every effort to produce all we could in the way of foodstuffs for those who had gone overseas and for the rest of the country. In doing so, in many cases we did not carry on the very best system of agriculture. We cropped our land too heavily; we did not summer-fallow enough; we endeavoured to produce as much as possible for the immediate time, and largely as a consequence we got ourselves into a lot of trouble. I should like to say on behalf of the farmers of western Canada that they were the only people in the whole dominion who were asked to do a certain thing and then had complete control taken of their product and a price set upon it by the federal government. Many people have said that the price of wheat during the war was very high. It was high then as compared with other times. Prices ranged from, first, $2.04 to $2.20, to $2.15 with a certificate that later brought 48 cents. But there was no restriction upon the charge that any other person in Canada might make for the commodities the farmers needed to buy.

Mr. BLACKMORE: Hear, hear.

Mr. ROSS (Moose Jaw): The commodities they had to buy in order to produce grain went to tremendous prices. I remember having paid at that time as much as $30 per bag for sugar. At that time wheat was $2.20 per bushel. I recall having paid as high as $9 per day and their board to men who came to labour in the fields. Every last thing that the farmer in that country had to buy at that time went to extremely high prices, much higher proportionately than the price of products he had to sell, and many of us found ourselves at the end of the war period, when it might be supposed that we would be wealthy, in a worse condition than when the war started.

Mr. BLACKMORE: Hear, hear.

Mr. ROSS (Moose Jaw): We said nothing about that. We felt at that time that it was our duty and our contribution. No one has ever heard the western Canadian farmer make any real complaint as to his position at that time. But hon. members should remember or should know the extent of the farmer's contribution at that time when they are deal-

ing with conditions in western Canada to-day, for his present plight is in part due to the conditions of that time.

The hon. member who moved this resolution (Mr. Pelletier) made mention of tariff. I was glad to hear the hon. member for North Battleford (Mr. McIntosh) state, what I know to be true, that this commission which has been formed will look into all the troubles or grievances of any province in Canada. Surely one of the greatest grievances of many people in practically all the provinces is the taxation arising from the tariff in this country, not as a taxation by the government, but as a taxation by special interests in Canada upon the rest of the people.

Mr. DOUGLAS: Why a commission, then?

Mr. ROSS (Moose Jaw): Why a commission? What can be done but to get the facts before a body which is impartial?

Mr. BLACKMORE: Hear, hear.

Mr. ROSS (Moose Jaw): As I said the other day, the tariff in this country has greatly affected many of the provinces since confederation. Only a short time ago a commission in Nova Scotia made certain recommendations with regard to the tariff. They said:

> We believe that the tariff policy of Canada has reacted unfavourably upon the economic development of Nova Scotia. It has tended to retard the growth of the exporting industries of the province without providing adequate compensation in other directions. It is true that, by means of the tariff and subventions, the central Canadian market has been brought within the reach of the coal mining industry, which would otherwise have been the monopoly of the United States industry; and that the steel and car construction industries have received a share of the orders for railway material and equipment from the Canadian railways; and that the dominion government has assisted in other ways. When, however, the advantages and disadvantages have been set against each other, we are definitely of the opinion that the fiscal policy pursued by successive governments has reacted injuriously upon the welfare of Nova Scotia.
>
> We agree with the following statement quoted from the brief submitted by the then government of Nova Scotia to the royal commission on maritime claims in 1926;
>
> "Protection, or free trade, or an exclusively revenue tariff, may be advocated with some show of logic, but surely no reasonable defence, no consideration based on equity or sound public policy, can be advanced in support of a system under which Nova Scotians are compelled to buy what they consume in a substantially protected home market, and to sell what they produce in a virtually unprotected one."

This applies not only to Nova Scotia but to the seven provinces outside the industrial area and to the majority of those people in the two industrial provinces who are not engaged in industry. The tariff has given to certain people engaged in industry the power to tax other people, to such an extent that, in many cases, out of every dollar we have spent we have had to pay twenty-five cents for nothing. There are two or three aspects of the tariff which should be brought out. Until a few years ago it was always believed that the taxing power lay with this House of Commons. This has been the case in most British countries, but during the last two decades this taxing power has been gradually taken away from the House of Commons. In the first place, it has been turned over to the industrialists by means of the protective tariff. In the second place, certain provisions have been enacted which place this taxing power in the hands of the officials of the Department of National Revenue. When the budget is brought down, some hon. members may think they are making the tariff of this country, but that is not what is being done. There are some 1,200 items in the tariff schedule and about 120,000 different articles are imported into the country. The rate of duty charged depends upon the classification into which an article is placed. An article may come in under a duty of twenty per cent, but it will have to pay forty per cent if it is placed in another classification. The rate of duty depends upon what classification the officials of the customs department decide shall apply to a particular article.

The Department of National Revenue is located in Ottawa and anyone who has watched the operation of government, no matter what government may be in power, realizes that it is not difficult for those engaged in industry to come to Ottawa in an endeavour to obtain concessions in tariff rates or a more satisfactory classification for the articles they wish to import. The industrial areas are spread out around Ottawa and those engaged in industry are able to put considerable pressure upon the department. You will see these people coming to Ottawa and exerting every influence on the ministers of whatever government may be in power in order to obtain concessions. These people are able to place their views before those who administer the Customs Act, whereas the consumer as a whole has no chance to place himself in a similar position.

The result is that no matter what tariff schedule is brought down in the House of Commons, that is not the schedule under which goods are brought into the country. During the last several years higher and higher rates of duty have been charged upon

goods coming into Canada. Speaking on the suggested British North America Act changes the other day, I referred to the general effect of the tariff upon the country. I stated that the effect had been to centre the industrial areas in this part of Canada and thereby take away the means of raising revenue from the outlying provinces.

Mr. WALSH: Is the hon. member inferring that the industrial area is centred within a radius of 100 or 150 miles of Ottawa because the seat of government is in Ottawa? Is he suggesting that that is the reason why Ontario and Quebec are so highly developed industrially?

Mr. ROSS (Moose Jaw): No; I never tried to infer that that was the case because the government is located here.

Mr. YOUNG: He did not say so, either.

Mr. ROSS (Moose Jaw): This area has been developed because of a protective tariff. The hon. gentleman knows as well as I do that in the past several years, since this policy of protection has been in effect, many industries which used to be located in Nova Scotia and New Brunswick have moved into the central area of Canada.

Mr. WALSH: Would the hon. member care to suggest one or two of them?

Mr. ROSS (Moose Jaw): There are a great many.

Mr. WALSH: Suggest one or two.

Mr. ROSS (Moose Jaw): No, I shall not.

Mr. WALSH: Then do not make the statement.

Mr. ROSS (Moose Jaw): If my hon. friend thinks my statement is incorrect, he may make a speech. Some maritime members will probably speak on this resolution and they will tell my friend plenty. I realize that he is very much interested in this matter from the attitude he took the other day when he said that the Turgeon commission was more or less window-dressing. I want to tell my hon. friend that the Turgeon commission is one of the best commissions ever set up by parliament.

Mr. WALSH: I suggested it was political window-dressing.

Mr. ROSS (Moose Jaw): That is worse than what the hon. member said before. The Turgeon commission is one of the best commissions ever set up in this country. Fortunately for the people of this country it has brought out many facts which prove the contention we have made in this house for years, that the men in the textile industry are just racketeers and not industrialists. When the report finally comes out, I hope that this government will act upon it in a way to prevent any industry in Canada from again having the temerity to do what these gentlemen have done during the last twenty or thirty years.

Mr. DOUGLAS: Will the government act?

Mr. ROSS (Moose Jaw): Certainly they will act.

Mr. WALSH: May I ask if the hon. member has been instructed by the government so to answer the question that has just been asked?

Mr. DEACHMAN: May I ask if my hon. friend was instructed to ask his question?

Mr. ROSS (Moose Jaw): I would say to the hon. member for Mount Royal (Mr. Walsh) that in this party and under this government every man has a right to say what he sees fit, and as for myself I will say what I think is proper whether the government says anything about it or not.

Mr. LANDERYOU: How can the federal government act on the report of the Turgeon commission when provincial governments have jurisdiction over corporations?

Mr. ROSS (Moose Jaw): I am not going to lay down the policies of the government; that is for the government itself. But when the facts have been brought out before that commission, they will be turned over to the government, and I have every confidence that the government will act in the interests of the people of Canada in that matter.

There has been talk—and my hon. friend mentions the same thing in his resolution—about disruption of the country. The other day, speaking in this house, I happened to say that there was more danger of disruption to-day than there ever was before, and one or two of my friends on the other side of the house asked me: Are you saying that as propaganda for that part of the country or do you believe it to be true? I replied: I am not saying it as propaganda at all. I am saying it as a warning to this House of Commons and the country. My hon. friends who sit over in that corner of the house may think they are in this parliament because of their professed policy of social credit. If they think so, or if anyone else in this country thinks that is the case, they are entirely wrong. My hon. friends are sitting in that corner of the house as proof of an economic revolt in western Canada to-day. That is the reason they are there, because of an economic revolt against the old party.

Mr. DOUGLAS: That is why this government is in office.

Mr. ROSS (Moose Jaw): Perhaps, but that is the real reason why my friends are sitting in that corner of the house, because there is an economic revolt in western Canada.

As one who was born in western Canada, I might give a little of the history of that country. Many people came to western Canada from Ontario, Quebec and the maritime provinces about fifty or fifty-two or fifty-three years ago. They came from all the different constituencies that are represented in this house. They settled in western Canada, and started to develop that part of the dominion. They raised their families there, and their families are still there, but the original settlers who went out from the east are now most of them dead.

What is the racial complexion of western Canada to-day? The main part of the population is composed of the sons and daughters, and the grandsons and granddaughters of the people who came out to western Canada from this part of the country, but remember this, very few of them have ever been back east. Then there are many people who came directly from the British isles, and who know from experience nothing whatever of eastern Canada. There are also many people from the United States, and many others from different parts of Europe. When one gets west of the great lakes, one will find very many people there who have never had an opportunity of associating with the people on this side of the great lakes.

In western Canada to-day a certain feeling is growing amongst the younger people. They walk into a store to purchase something, and they find they have to pay a certain price. They realize that the price is too high, and they ask why. Somebody says: "In order to build industry in Canada." And the young people will ask: "Whereabouts?" The answer will be: "Oh, fifteen hundred or two thousand miles away from where you live, in order to give employment to the people in the east." Then they will ask: "What is all this being done for?" And the reply will be: "To build up Canada." And these young people are saying: "Well, are we not a part of Canada? If we are, where do we come in? What has this to do with us except that we must pay?" And, Mr. Speaker, that is the only portion they have in this "Canada First" policy.

Mr. KINLEY: May I ask the hon. member a question?

Mr. ROSS (Moose Jaw): Certainly.

[Mr. J. G. Ross.]

Mr. KINLEY: I was not in the house when the hon. gentlemen made the statement that central Canada had by various means contributed to the ruination of industries in the maritime provinces, and I understand he was asked to name specific instances. I agree with his statement, and I shall be glad to give specific instances, if necessary.

Mr. ROSS (Moose Jaw): The hon. gentleman knows that my statement was correct, and there are many who would be willing to support it.

Mr. KINLEY: I just wanted to settle that before six o'clock.

Mr. ROSS (Moose Jaw): I was saying, Mr. Speaker, that many of these people had no experience of the east and many of them were thinking to-day that they were not being treated as a part of Canada under the "Canada First" policy. One cannot blame them for endeavouring to fight in every way possible against a situation such as that. After all, we must remember that no British people ever stood for such a thing before, and I do not think British people would ever stand for it.

I do not intend to support this resolution because I think the commission to be set up, which was announced by the Prime Minister (Mr. Mackenzie King) yesterday, will cover the question in all its phases in every part of Canada, and it will be up to the members in that corner of the house as well as the members over here from Saskatchewan and other provinces, along with their governments and others interested, to place before that royal commission the grievances of every part of this dominion, so that we may finally get them straightened out and come to some definite conclusion.

Mr. WALSH: It is six o'clock, Mr. Speaker.

At six o'clock the house adjourned, without question put, pursuant to standing order.

Thursday, February 18, 1937

The house met at three o'clock.

FOREIGN ENLISTMENT

Hon. ERNEST LAPOINTE (Minister of Justice) moved for leave to introduce Bill No. 23, respecting foreign enlistment.

Mr. BENNETT: Explain.

Mr. LAPOINTE (Quebec East): The Foreign Enlistment Act is an imperial statute which under its terms extends to Canada and all the dominions. Under the Statute of Westminster Canada may repeal, change or

amend that statute. The purpose of this bill is to repeal the imperial act and replace it by Canadian legislation. It has generally the same provisions as the imperial statute, but they are made to harmonize with Canadian conditions in matters of administration and procedure.

Mr. CAHAN: Will the Minister of Justice be so kind as to give a day's notice of the second reading? There are certain matters in this connection which, I think, are relevant, and which I should like to discuss on the second reading of the bill.

Mr. LAPOINTE (Quebec East): I will arrange it privately with my hon. friend.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

INVESTIGATION OF ILLEGAL LOBSTER FISHING

Mr. BROOKS:

1. Is a fishery commission investigating the alleged illegal fishing of lobsters in the provinces of New Brunswick and Prince Edward Island?
2. If so, what is the name or names of the members of the commission, counsel and stenographer, and what remuneration does each receive: (a) salary; (b) living allowance?
3. How many days has the commission sat to date?

Mr. MICHAUD:

1. Yes.
2. Commissioner—Hon. Justice A. T. LeBlanc, (a) Nil; (b) $25 a day; Counsel—Hon. H. F. G. Bridges, (a) $30 a day; (b) $10 a day; Stenographer—Miss Jeanne Saindon, (a) $5 a day; (b) Actual expenses.
3. 29 days.

ARUNDEL, QUE., MAIL SERVICE

Sir GEORGE PERLEY:

1. Who is the present contractor for R.R. No. 2, Arundel?
2. Is he a returned man?
3. Who are his sureties?
4. When was the contract given to him, and at what rate annually?
5. From whom were other tenders received for this service, and what was the annual rate asked by each?
6. Are any of the unsuccessful tenderers returned men?

Mr. ELLIOTT (Middlesex):

1. John Moncrieff.
2. No information.
3. E. T. Rousseau, A. B. Morrison.
4. 29th August, 1936—$800 per annum.
5. John Moncrieff, Arundel, $800; Stirling Simon, Arundel, $800; Geo. Marshall, Arundel, $840; Melvin C. Cooke, Arundel, $854.88; Dave Dubeau, Arundel, $900; John Moncrieff, Arundel, $900; Ross W. Swail, Arundel, $924; R. A. Moss, Jr., Arundel, $960; S. K. MacArthur, $960; Ernest Swail, Arundel, $990; Harry Skinner, Arundel, $1,200; Harry Skinner, Arundel, $1,252.
6. Yes,—Harry Skinner, Arundel. No information regarding others.

QUESTIONS PASSED AS ORDERS FOR RETURNS

DUMPING DUTY ON CABBAGE

Mr. MUTCH:

1. Did the government remove the dumping duty on cabbages entering western Canada thirty days before they usually do? If so, why?
2. Was the government aware that there were several hundred tons of cabbage available in the Winnipeg area on the 16th of January, 1937?
3. What growers' organization in the Winnipeg area did the government consult as to the supply of cabbages available on the 16th of January, 1937?
4. What person or persons did the government depend upon for the information resulting in the removal of duty on cabbages thirty days before the usual time?
5. Did the government take any steps to notify the growers in the Winnipeg area of the impending removal of duty on cabbages thirty days before the usual time?
6. What steps did the government take to notify the fruit jobbers of western Canada of the impending removal?
7. Was the government informed that new cabbage from Texas could be delivered in Winnipeg in bulk for a trifle over 2 cents per pound if the dumping duty was removed on the 16th January?

Mr. ILSLEY: Return tabled herewith.

WELLAND CANAL EMPLOYEES

Mr. LOCKHART:

1. What are the names of all employees engaged during 1936 on the northern division of the Welland ship canal, and (a) the classification of their employment; (b) total earnings of each employee during the year 1936; (c) date engaged on an hourly basis, the rate per hour.
2. Are the employees engaged on an hourly basis laid off during showery weather, and if so, is it possible to arrange inside work on showery days for men employed on an hourly basis.

OLD AGE PENSIONS ACT

AMENDMENT TO INCLUDE CERTAIN CLASSES OF BLIND PERSONS

Hon. CHARLES A. DUNNING (Minister of Finance) moved that the house go into committee at the next sitting to consider the following proposed resolution:

That it is expedient to extend the operation of the Old Age Pensions Act to include certain classes of blind persons presently not included in the act.

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. BENNETT: I think I am within the rules in suggesting that the notice is hardly ample, in its description of the class of people to whom the resolution refers. I recall very vividly complaint being made formerly that notices of resolutions should indicate clearly the character of the legislation to be founded upon them. I think this notice is rather scanty. I merely raise the issue so that it may not be thought that I am acceding to a view which I believe is not in accord with sound parliamentary practice.

Mr. DUNNING: Mr. Speaker, whether or not this is evidence that great minds think alike, that was my own criticism when the resolution was submitted to me, but the answer given was that short of including the whole bill it was difficult further to amplify the resolution. I shall be glad to give full information when the resolution is being discussed.

Motion agreed to.

N. ROMEO BEAUDET

On the orders of the day:

Mr. JEAN-FRANÇOIS POULIOT (Témiscouata): Mr. Speaker, in view of standing order 119, regarding parliamentary agents, may I direct your attention to the fact that Mr. N. Romeo Beaudet, formerly a member of the unemployment insurance commission, and who is now out of a job, is canvassing members from door to door asking for a job, and I should like you to ascertain whether or not he has secured his licence as a parliamentary agent.

PRIVILEGE—MR. DUPUIS

On the orders of the day:

Mr. VINCENT DUPUIS (Chambly-Rouville): Mr. Speaker, on a question of privilege I would refer to the first page of the second section of the Montreal Gazette of to-day, where, under a large headline, I read that five Chambly Canton men were found guilty of perjury at a federal inquiry, and that their statement that the canal superintendent attended political meetings caused his dismissal from the service. Without going into the merits of the case I submit that this is not according to the facts, because the report of the commissioner who presided over the investigation contains four accusations—

Mr. BENNETT: This cannot be a matter touching the privileges of this house.

Mr. DUPUIS: It is the privilege of a member of this house to correct statements which are not according to the facts.

Mr. BENNETT: Touching this house.

Mr. DUPUIS: I understand that there is a plan under way to show that federal employees have been dismissed unjustly in order that some provincial governments may feel justified in carrying out wholesale dismissals of provincial employees. I just want to cite—

Mr. SPEAKER: I do not think the hon. member is within the rules of the house. A question of privilege must be in connection with a matter affecting this house.

INQUIRY FOR RETURN

REGINA RIOTS—COST OF INQUIRY

On the orders of the day:

Mr. M. J. COLDWELL (Rosetown-Biggar): I should like to direct an inquiry to the Minister of Justice (Mr. Lapointe). On January 21 of this year I asked a question with regard to certain costs to this dominion in connection with the Regina riot inquiry. On January 25 an order of the house was issued for that information. As yet the reply has not been forthcoming, and I have been approached about it. May I ask why it takes a month to get this information, which I should think would be readily available?

Hon. ERNEST LAPOINTE (Minister of Justice): I am sorry, Mr. Speaker, that I received the message from my hon. friend too late to make the necessary inquiries, but it is hardly fair to say that a month has elapsed between January 25 and to-day. We had to communicate with Regina in order to ascertain some facts. I assure my hon. friend that we will file this return as soon as possible.

SUPPLY—NATIONAL DEFENCE

CONTINUATION OF DEBATE ON AMENDMENT TO MOTION OF MINISTER OF FINANCE

The house resumed from Tuesday, February 16, consideration of the motion of Mr. Dunning that the house go into committee of supply, and the proposed amendment thereto of Mr. MacNeil.

Mr. HARRY LEADER (Portage la Prairie): Mr. Speaker, in rising to continue the debate on the motion before the house and

the amendment thereto, it is not my intention to make any extended remarks. I want to be as brief as possible in presenting my position not only to this house but to the people who are responsible for my being here.

Needless to say, I abhor war just as much as any other gentleman who has spoken during this debate. I think war is madness, but I am afraid most of the world is afflicted with this malady at the present time. War is the most diabolical instrument ever devised by man for the destruction of all that is best in civilization. War violates every principle of the Prince of Peace and stimulates the forces of evil. Furthermore, Mr. Speaker, the war god is no respecter of nations; the most remote and the most peaceful may be drawn into the vortex. Canada is a peaceful nation. I am sure we Canadians have no desire to annex any of the lands that belong to other nations, but we are proud of our heritage, and we would like to keep it. Canada is remote from the possibilities of war, as we see them to-day, and we have no desire to create more armaments for the destruction of our fellow men. But, Mr. Speaker, we must face the facts. I am sure the government does not contemplate any war of aggression. If I did not believe that, I would not vote a five cent piece for the prosecution of a war, but would use my influence to defeat any such purpose. But a war of defence is a different proposition, and that is the position in which we find ourselves to-day.

What is the situation? Briefly it appears to me to be as follows: We have a Hitler and a Mussolini armed to the teeth, casting covetous eyes on the possessions of other people and uttering dire threats at the point of bristling bayonets. Under these circumstances we can visualize what would happen to Canada if we were not in a position to defend our shores. It is true that we could rely on the help of others. I know we could rely on the help of the motherland, and I am sure we could rely on the help of our friendly neighbour to the south. But it seems to me, Mr. Speaker, that if we have any respect for ourselves or for this grand country in which we live we should be prepared to defend ourselves without asking for aid from anyone. Therefore I must vote against the amendment as presented by the hon. member for Vancouver North (Mr. MacNeil), and I intend to support the government.

May I say that I have confidence in the Prime Minister of this country. He has a long record of service. At Geneva last year, during the meetings of the assembly of the League of Nations, he explained Canada's position. He spoke for Canada, and he spoke for me. He declared that Canada would enter into no commitments in any foreign war without the consent of parliament and the consent of the Canadian people. I agree most heartily with that stand, and I believe the people throughout Canada will agree, also with that policy. The Prime Minister cannot be called a jingoist, and for that reason I believe that under his leadership we are safe. I have concluded my observations on that phase of the question.

May I take just a few moments to describe to the house some of the feelings which I believe exist out in the country. It seems to me that we as members are prone to forget the position and condition of the people who, reposing their confidence in us, have sent us here to represent them. For that reason I try to keep in as close touch as possible with my electors. There has been a feeling throughout my constituency that under existing conditions there would be an increase this year in war expenditure. We have in the prairie provinces a farmers' organization which in my province is known as the United Farmers of Manitoba. At their annual meeting this year, held at Neepawa, which I was privileged to attend, there was presented a resolution, part of which I shall read, to which I gave my support. It seems to me that the very first words show that they anticipated just what is happening. As the resolution is long I shall not weary the house by reading it all; I shall read only that part of it which bears upon the matter under discussion. It begins:

> Whereas under the changed conditions as regards world peace, many people expect the Canadian government to enter upon a new and extended defence program—

And it ends:

> Resolved, further, that in the undertaking of any preparations for the possible contingency of war, (1) the government take steps to commit the nation to the principle that immediately upon the declaration of war financial control of all industry shall be assumed by the government so that profiteering of every kind out of war conditions and services shall be rendered impossible and that all wealth shall be conserved and applied to the national purpose of maintenance of the population and the realization of the nation's war objective and (2) that the working out of plans for such mobilization of economic resources be made a part of any defence policy upon which the nation may enter.

During the last war there can be no doubt that huge sums of money were made by war profiteering—made from the misery and sufferings of the sons of Canada who died on the fields of France and Flanders. That this should have happened is resented to the present

day, with the result that in my section of the country a different feeling exists in regard to war profiteers. The Canadian people expect that if we must go to war all the resources of the country will be employed in the prosecution of that war. I believe that in the nation's interest we should conscript, if that is the proper word—perhaps it is not; some people object to it—the resources of the fields, of the forests and of the mines, and all the accumulated wealth.

May I repeat that I am supporting the government in these expenditures, which I believe, involve an increase this year of $11,615,000. The very amount is alarming, but under existing conditions I feel that as a good Canadian I can take no other course than that of supporting the action of the government.

Mr. MAURICE LALONDE (Labelle): (Translation) Mr. Speaker, certain erroneous statements published in a press with interested motives claiming, without any proof in support of such allegations, that the dominion parliament would vote this year $70,000,000 towards national defence, have caused great commotion among the public. It is obvious that if the tories had been in power, probably these statements would have been true, but, thank God, we have in this country a Liberal government headed by the right hon. Mackenzie King, the prime minister "par excellence" and the one who stands in the history of Canada as the less imperialistic of all our prime ministers.

I leave to these comedians of journalism the responsibility of their statements. I admit, Mr. Speaker, that a contingency of that nature would have compelled me to vote against such an excess in imperialistic extravagance. But the hon. the Minister of National Defence (Mr. Mackenzie) asks this house for a total sum of $34,091,873.42, of which $22,339,223.42 is for our defence scheme, and $11,752,650 for the air force. Is this excessive? Is it acceptable? Does my duty as a member of this house authorize me to vote in favour of such an expenditure? I will endeavour in a few words to answer these questions to the best of my knowledge.

And I owe all men and women who voted for me a clear and definite explanation so as to dispel any ambiguity and establish on a rational basis my position as representative of the electors of Labelle and as a member of the dominion Liberal party. Moreover, having given to the press an interview which certain newspapers of my province and of Canada were kind enough to reproduce, I feel that I am under the obligation of proving that my vote will be consistent with my public statements. The text of my interview as published in Le Droit of January 20, 1937 follows:

The agitation caused by this important question of the defence estimates which the honourable the Minister of National Defence will bring down during this session of the federal parliament, has stirred public opinion. I do not believe that this is the proper time to reach a definite conclusion before having had an opportunity of considering these estimates and hearing what the honourable minister will have to say by way of explanation.

We do not know as yet what amount parliament will be asked to vote, nor the purpose for which these sums will be spent.

A definite conclusion would therefore be premature.

I am in favour of ensuring security within our territory and having our customs service watch closely our coasts and the American border, either with ships or aircraft. But these expenditures should be within our means and I am not prepared to vote in favour of excessive disbursements for that item.

As to the important question of Canada's participation in imperial foreign wars, I am altogether against it, either in men or money.

Mr. LACOMBE: Hear, hear.

Mr. LALONDE:

It seems to me that the explicit statements of the right honourable Mackenzie King and of the honourable senator Dandurand on this subject are sufficient to appease public opinion. This does not imply that we should not be very cautious should legislation to that effect be introduced. This is a question of principle on which we must stand firmly. The future of Canada is at stake! All true patriots must have but one slogan: Canada first! And the interest of Canada is not to be found in Flanders, in the Spanish peninsula or in Ethiopia, but on the shores of the St. Lawrence as well as on the territory of the other provinces in the dominion.

Mr. LACOMBE: Hear, hear.

Mr. LALONDE: I must therefore follow this program and abide by this principle. Indeed, I do not claim to meet the demands of the nationalists who, tired of seeking blindly some formulae for our economic recovery in the policies of the Liberal party, turn towards a political and utopian idealism of exaggerated secession, and selfish nationalism whose mean ideals are incapable of looking beyond the horizon of the province of Quebec.

Are these estimates excessive? Are they acceptable? Before expressing my opinion on this question, I think it would be important to set the scope of the discussion.

Mr. BOUCHARD: Hear, hear.

Mr. LALONDE: We have before us a motion of non-confidence; we must first discuss this motion on its merits before considering the estimates intrinsically. The motion reads as follows:

That all the words after the word "that" in the motion be struck out and the following substituted therefor:

This house views with grave concern the startling increases of expenditure proposed by the government for purposes of national armament in contrast with the inadequate provision for the social security of all sections of the Canadian people.

The hon. member for Vancouver North (Mr. MacNeil) therefore suggests a comparison, but his resolution is so worded that it inevitably leads to a contradiction. How could we vote against this motion of want of confidence, and later vote against the appropriations that are being asked for? The answer to that, Mr. Speaker, is that we should have first considered the present motion upon its merits, suggesting as it does a comparison between the amount of the defence estimates and the activities of the government as regards social welfare. There you have two major points calling for a conclusion which may exclude either an affirmative or a negative vote on the estimates.

In order to know whether these estimates are too large or not, let us see, in the terms of the motion, what the government has done in connection with social welfare. I always understood that the social welfare of a nation proceeded from a system of legislation giving the individual a feeling of mental and physical security wherefrom he derived full happiness. It means that if the social welfare policy of the present government answered the needs of our people, these estimates, always according to the terms of the resolution, would not be unreasonable.

You will admit that in discussing this question we must revolve within a limited circle, which I might even call a vicious circle. But I do venture to state that the social policy of this government should meet with the approval of all those who place the interest of their country above party contingencies.

The Liberal government, through its policies, its treaties, its agreements, the ever increasing volume of our trade and commerce, and conventions based on moderate free trade principles, gave rise to an evident feeling of sympathy towards Canada among other nations of the world: Agreements with the United States, Germany and France; the renewal of the Ottawa agreements on a more equitable basis; the statements of Right Hon. Mackenzie King at Geneva; the positive statements of our leaders concerning our absolute independence in case of a European war, all this ought to set our minds at rest.

As regards our domestic policy, both in the economic and the social spheres, we have had relief works, the Dominion Textile trust was brought to reason, prices improved, money is circulating more freely, loans were granted to the western provinces, a bonus was paid on wheat, there was a decrease in our federal deficits, and a satisfactory improvement in business as a whole. All these things, Mr. Speaker, make for a greater sense of security among our Canadian people than under the tory administration of 1930. And we should condemn it all through a vote of want of confidence in the government just because, this year, there is some fear that the increase in the defence estimates may reflect excessive imperialism? That is a conclusion which I cannot share.

The comparison is evidently defective, but we must take it such as it was presented to us by the hon. member for Vancouver North. Therefore, I shall vote against this motion. My mandate as a member of this house does not leave me any other alternative, for I was elected on the express understanding that I would support the government in its fair measures. But is this request for an increase of $14,000,000 in the defence estimates a fair measure? That is altogether a different question. Any man is loath to spend money to buy anything for purposes of destruction. It is with some hesitation that I find it unfortunately necessary to vote for these estimates. I have carefully listened to the speech of the hon. the Minister of National Defence, and I shall support certain appropriations which I consider reasonable, but I am reserving the right to appreciate later some other items the necessity of which I do not quite grasp at present. I shall discharge my duties and my responsibilities as a Canadian to the full, without the least egoist thought as to my personal political aggrandizement. While objecting most strenuously to Canada's participation in foreign wars, I am in favour of taking any steps that might be necessary for the preservation of our internal peace. I want the constituted authorities to be strengthened in such a way that they may be able to hold in check the revolutionary mob whose existence is not recognized in certain quarters but which is planning, under cover, to destroy our secular institutions, in order to raise upon their smoking remains, the haughty structure of their pagan universities and Godless schools.

I am also sceptical as regards the possibility of attacks from the outside, but I may ask those who refuse to believe in such a contingency to prove its impossibility. International events are such that no man can foretell what complications they may lead

to. We even see our southern neighbours, protected as they are by their geographical position between two oceans, building up a great air fleet at an annual cost of several million dollars. On this subject, I believe we will simply have to adhere to the principle of the most elementary local protection, because it is materially impossible to think of militarizing Canada. I would indeed be relentlessly opposed to such a policy.

I am equally sceptical as to the true meaning of this armament policy. Are we moving towards a contributory imperialism? If we permit these estimates to be voted without any protest to-day, shall we, to-morrow be bound by a dangerous precedent? Should we also believe the statement made by the Right Hon. Neville Chamberlain and reported in the morning papers in connection with the military estimates of 7 billion 500 million dollars voted in England, "that it is not the intention to invite the dominions to share in a common scheme of defence."

Here again, we must admit that accurate foresight is difficult. God only knows what the future has in store and we are powerless before His divine intents.

To sum up, Mr. Speaker, upon what basis are we going to build up our knowledge and our conclusions? Whom are we going to believe? Whom are we going to trust? Shall we give credence to the demagogical outbursts of the Conservatives and their newspapers? Or to the sententious warnings of the nationalist press? Or again to the vain threats of certain associations financed by the tories and which, under the chaste cloak of patriotism, are carrying on an active propaganda against the federal Liberal party? Or lastly, to the whispers of a mob treacherously deceived by the false prophets of extreme nationalism, whose adherents will perhaps be the first to call upon our militia to save them from the anger of that mob, roused by them to a frenzy of demagogy?

Of course, Mr. Speaker, as one lone protest has reached me from my constituency, the only alternative left me is to give my full confidence to those who are responsible for the government of our country. To my mind, it would be an insult to question the true Canadianism of the Right Honourable Prime Minister (Mr. Mackenzie King). His past behaviour bespeaks his future actions. And when he said these words which I find in Hansard, February 15, 1937, page 890:

I must deny categorically and immediately what my hon. friend has said.

The hon. member for Rosetown-Biggar (Mr. Coldwell) had just made a statement.

[Mr. Lalonde.]

There are no commitments and no understandings in the nature of commitments between this government and the government of Great Britain or any other government.

I fail to understand how anyone can doubt his word and conclude that our country is moving towards military imperialism. I cannot understand how certain newspapers, especially Le Droit in its issue of February 17, 1937, can make such statements as this one:

Can the Minister of National Defence give us the unconditional assurance that, notwithstanding his own intentions the new armaments he asks for will not be used in a war waged by England in Europe or elsewhere? Is he in a position to give us a concrete guarantee—

Let me emphasize that word concrete so as to show its sheer stupidity.

—that if, to-morrow, England were to be involved in a war, these new armaments will not serve any other purpose than the protection of Canada's neutrality in case of any attack against her own territory? In a word, can he tell us how these new armaments would be used in the event of war? Whatever the Minister of National Defence intends to do for the moment, he cannot give us any real assurance that these armaments will not be used in such a conflict.

The man who made that statement speaks ex-cathedra and he imputes to the Minister of National Defence (Mr. Mackenzie) motives that he never had. I may say that the writer of this article, if he is not blind or deaf and if he is not determined to oppose to the end everything that is reddish and to extol everything that is bluish, should read, read over again, consider and reconsider the speech in which the Minister of National Defence states more than once that our armaments will only be used for the protection of our territory.

Let me quote what he says at page 904 of Hansard:

—to give us a small force to cooperate with our air force and our naval force for the protection of Canada, within Canada only.

And at page 906:

These are the actual details of the estimates. They are all for the purpose of coastal defence, and for increased equipment and for cooperation of militia services of Canada with the air force and naval forces for the protection of Canada, within our borders. I cannot make that sufficiently clear to hon. members of the house.

Then at page 907, he says again:

—this defence policy is a Canadian defence policy for the direct defence of our Canadian shores and our Canadian homes.

At page 903:

In the first place, our enlarged defence estimates are submitted only for the defence of Canada. In the second place, they are not arranged between Canada and any other nation.

In the third place, there has not been in connection with a single item of the estimates so submitted any request from any government in any other place whatsoever. In the fourth place, parliament itself must be the final judge as to Canada's participation in any future war—

Moreover let me say to the scribbler who signed the foregoing article that there are many more newspapermen of his calibre who take for gospel anything that smacks of criticism against the Liberal regime and who print on the 67th page news of the good deeds performed by a Liberal government. Would anything convince those gentlemen? Would they require the Prime Minister and his colleagues to execute a notarial document in the presence of 150 witnesses to the effect that they will reject all future commitments? As far as I am concerned, I have no reason to question the statements of the Hon. Mr. King and Mr. Lapointe, and I do not believe that our money will be used for a definite militaristic scheme. That question of the defence estimates amounts to a question of quantum. I have heard the speech delivered by the Minister of National Defence (Mr. Mackenzie). Before taking a stand on the advisability of certain items, I reserve the right to ask questions about them, and I hope his answers will sufficiently enlighten me, when the estimates are considered by the committee. And I will give the government, as our English speaking friends would say, a fair trial.

If unfortunately they were to deceive me, an occurrence that I fail to conceive, I would be the first to-morrow to denounce them as forcibly as I am defending them to-day. For, the only reward I can expect from politics is the conviction of having done my duty. I will always continue to work without flinching and without any animosity to preserve the freedom of my race and country; so that our people may live in order and peace; so that the dominion Liberal party may maintain his great traditions, based on a truly Canadian policy.

I am a Liberal, it is true, sir; but above all I am a Roman Catholic and a French Canadian. When I say that I am a Canadian, I mean that I want a truly self-governing Canada freely associated to the British commonwealth of nations. I am a Canadian to the core, I will never give up my sons, when they are old enough to be soldiers, for the sake of defending England or any foreign nation.

My Canadianism might be summed up in these words: nothing on earth will ever induce me to send out of the country these two little French Canadians whom I love more than anything else in the world so that they may fight for England or France; but I would consider them as cowards if they were not first in the front line of trenches to fight for Canada, for the land they are taught to love as true French Canadians.

Mr. ANGUS MacINNIS (Vancouver East): Mr. Speaker, I am sure that the preceding speaker (Mr. Lalonde) will excuse me if I do not follow him in his remarks. Whatever their content may have been, I am quite sure that his speech was delivered in very good style.

Judging from the speeches that have been made in this chamber since the amendment was moved, Mr. Speaker, I think this group can take credit to itself for having given the members of this house an opportunity of expressing their views on the question now before us. Most of the discussion has not been altogether against our point of view. The Minister of National Defence (Mr. Mackenzie), in opening his speech on Monday evening, took strong exception to the form of the amendment. He called it a double-barrelled amendment. Let me read the amendment and see to what extent it is double-barrelled:

This house views with grave concern the startling increases of expenditure proposed by the government for purposes of national armament in contrast with the inadequate provision for the social security of all sections of the Canadian people.

The Minister of National Defence, having read the amendment, immediately referred to a resolution that was proposed in this house in 1933, and then, turning to the members behind him, he made this most peculiar statement, which you will find at page 896 of Hansard:

The hon. member for Vancouver North by his amendment is seeking to obtain power, because the carrying of his amendment would mean the defeat of this government; a socialist government would then be in control in this dominion, and we would have the establishment of a socialist state. That is what the amendment means, and nothing else.

Now, that may be good strategy on the part of the Minister of National Defence, but it is certainly not statesmanship. He may think a thing like that will go over with the province of Quebec, where the people may have been prejudiced against socialism, but let me tell him that it is not going to do for the people of this country generally. All that we do in this amendment is to draw attention to and say that we are opposed to the great increase in the military estimates in comparison with what has been done in regard to social services to meet the needs of

the people of this country. If our amendment is double-barrelled the reason is that we are dealing with a two-faced government, a government that was elected not to increase the military appropriations for defence but to deal with the serious economic and social conditions within this country.

Mr. FINN: It is doing that.

Mr. MacINNIS: I should like to see it.

Mr. FINN: Well, look about you.

Mr. MacINNIS: It is because I have looked about me that I say I cannot see it.

Mr. FINN: Your vision is not very broad.

Mr. MacINNIS: It is as broad as the dominion.

Mr. FINN: I hope so. I cannot see that far myself.

Mr. MacINNIS: There is no reason why you should not; it is easy to travel.

Mr. O'NEILL: Will the hon. member permit a question?

Mr. MacINNIS: No; the hon. member will have forty minutes after I have finished.

The Minister of National Defence then went on to refer to the speech that was made by the present Prime Minister (Mr. Mackenzie King) in reply to the cooperative commonwealth resolution of 1933. He drew our attention to the now famous fourteen points. I have refreshed my memory in regard to the fourteen points which were laid down by the leader of the opposition of that day, now the Prime Minister, and I find that the first of them did not deal with the lack of national security in this country. As a matter of fact, after reading all fourteen points and the whole of his speech, I could find nothing in it regarding national defence. I can find nothing in it referring to the unprotected condition of this country. The following was the right hon. gentleman's first point, which will be found at page 2510 of Hansard of 1933:

As unemployment is a matter of very great concern I shall give it first consideration.

Further on he says that the Liberal party is pledged to introduce a national system of unemployment insurance. But the very first thing this government did when they came into office, this government pledged to introduce a system of unemployment insurance, was to harpoon the efforts that had been made to put such a measure on the statute books of this country.

Mr. MACKENZIE KING: Mr. Speaker, I do not think that statement ought to go unchallenged. The statement that this government started in to harpoon the unemployment insurance scheme is surely wholly incorrect. The government merely sought to get an authoritative expression of opinion which would guide everyone in the country with respect to the legislation, and we have received it. We advised this course at the time the legislation was introduced.

Mr. MacINNIS: The government may have done that, but it did more than that. There are other ways in which we can get an expression of opinion as to whether or not a statute is within the powers of this dominion.

Evidently when this statement giving the fourteen points was made the right hon. gentleman thought that he could put unemployment insurance into effect. If not, why was the statement made? The act having been passed by this parliament, in my opinion it would have been much better to leave it in effect and have some body other than the government refer it to the courts.

Mr. LAPOINTE (Quebec East): Yes, and spend millions of dollars before finding out whether the expenditures were legal.

Mr. MacINNIS: We might, and we might not. We have taken that course in other matters. That was the way it was done in connection with the Lemieux act. Had that been done, we might have found ways and means of giving effect to the legislation. We cannot do that now, until some more definite ways are found of changing it.

Mr. LAPOINTE (Quebec East): Yes—illegal ways and unlawful means.

Mr. MacINNIS: When this government was not in office, the great need and the vital problem of this country, according to their spokesmen, was unemployment. However, when they are in office the great problem becomes the defence of the country, and we find them within eighteen months after their assumption of office, increasing military expenditures by 130 per cent. So the unemployed have an employment commission which does not do anything, and the military clique get the hard cash. I recall a motion made during the session of 1935 by the present Minister of National Defence (Mr. Mackenzie). It was not a motion of censure of the government of the day for not having dealt with the defence of the country; it was a motion of want of confidence in the government because that government had not taken steps to end unemployment. The motion, in which there is not a word about the need of national defence or the lack of armaments, is as follows:

That all the words after the word "That" in the motion be struck out, and the following substituted therefor:

This house regrets that, notwithstanding the specific promises made prior to the election of 1930, and many times since reiterated, and

despite the fact that extraordinary powers to deal with unemployment have been repeatedly secured from parliament, the present administration, after nearly five years of office, has not yet submitted to parliament any definite or effective policy to deal with widespread actual unemployment or distress which continues to be Canada's most urgent national problem.

The situation to-day is practically the same. On reference to the figures given in the Labour Gazette of January, 1937, I find that there were more people on relief in November, 1936, than there were in November of 1935 or 1934. That being so, surely the urgent problem facing this country to-day is not national defence but unemployment.

In the course of his speech the hon. gentleman referred to various other motions that were moved in the house during the session of 1935. He quoted a motion made by his leader, the present Prime Minister, speaking in the debate on the address on January 21 of that year, asking that there be no further discussion on the address but to let the house get on and deal with unemployment. On January 28 of the same year the then leader of the opposition made the following amendment to the motion to go into supply:

That all the words in the motion after the word "that" be struck out and the following substituted therefor:

"This house is of the opinion that the immediate consideration of present conditions of unemployment and the introduction of measures of social and industrial reform should not be delayed or postponed by a consideration of supply in advance of the consideration of government policies with respect to unemployment and the introduction of measures with respect to social and industrial reform.

Yet, as I have said, although this government has been eighteen months in office there is not a word about unemployment or about social reform, but we have here an increase of 130 per cent in the military estimates. Surely the hon. member for Vancouver North (Mr. MacNeil) was entitled to bring that fact to the attention of the house and of the country.

The minister also criticized the hon. member for having drawn to the attention of this house the plight of many returned men who fought in the last war. I quite understand why the hon. member did so, because I know that he meets these men continually when he is home in his own constituency. I know, too, that he is meeting them here, and when he is not meeting them he is hearing from them.

Mr. FINN: You are a mind reader.

Mr. MacINNIS: I would say further that he is not meeting the same class of returned men as is the Minister of National Defence. He does not meet those men in the lobbies of the Hotel Vancouver and the Chateau Laurier; he meets them in other places.

Mr. FINN: Where?

Mr. MacINNIS: On the bread line.

Mr. FINN: Where is that?

Mr. MacINNIS: My hon. friend's understanding of conditions in the dominion is worse than I thought it was if he does not know the whereabouts of a bread line in any city in Canada. In the Vancouver Province of January 23, 1937, I noticed this item:

Returned soldiers and their families are urgently in need of underclothes and shoes. If donors will phone the Returned Soldiers' Club, Seymour 7570, contributions will be called for.

Those are the men whom the hon. member for Vancouver North meets and who bring their problems to him. Those men are not concerned with the matter of military dress, which was the subject of a military order that was put on Hansard by the present deputy speaker (Mr. Sanderson). These men do not care whether ties are thirty-one inches long or not. They are concerned about the question whether they are going to have a shirt or a pair of shoes to wear. There is undoubtedly a difference between the returned soldiers with whom the minister, on the one hand. and the hon. member for Vancouver North, on the other, come in contact. In the military orders issued and put on the records of this house in 1935 by the present deputy speaker I find this item:

Paragraph 49, Dress Regulations for the Canadian militia, 1932, prescribes a black bow tie, and this paragraph is being amended by adding thereto the words "with square ends." Ties with pointed ends should not be worn, and the edges of the bow should be straight and parallel.

Mr. FINN: Hear, hear.

Mr. MacINNIS: Then section (C) reads:

Particular attention should be paid to the dimensions of the tie, which should be about two inches wide at the ends, and the length of the tie, in inches, should be twice the size of the collar, namely, an officer wearing a 15½ collar should wear a tie approximately 31 inches long.

The returned men the hon. member for Vancouver North had in his mind are not concerned whether the tie is thirty-one inches long or forty-one inches long. They are more concerned with having a shirt, with having a coat, with having shoes in which they can walk about in the Vancouver rain. These are the men he is interested in. It is no wonder he brings their troubles and miseries before

this house. I can see the hon. member for Vancouver North when a returned man comes up to him, shabbily dressed, with no soles to his shoes, having to keep his coat collar up because he has no shirt on, and I can see the pained expression on the face of the hon. member—I have watched him—and he says, "Well my friend, I am sorry, but we are going to have 102 aeroplanes, just think of that. Your shoes may be bad, but look, we are going to have 102 aeroplanes to protect you." Protect him from what? They cannot protect him from poverty and misery, and if they cannot protect him from that they cannot protect him from anything. This returned man says to the hon. member, "Do you know where I can get a pair of cast-off shoes?" He replies, "Well, your shoes may be poor, but we are going to have mine sweepers in Vancouver harbour; just think of that! Never mind your shoes, just think of the mine sweepers." Should he not, and should we not bring those conditions to the attention of this house?

The Minister of National Defence, made reference to the resolution passed at the annual conference of the Labour party of Great Britain at Edinburgh this year. He gathered from that resolution that the Labour party in Great Britain was favouring the military program of the British government. But such is not the case. On page 906 of Hansard he quoted the resolution.

> That in view of the threatening attitude of dictatorships which are increasing their armaments at an unprecedented rate, flouting international law, and refusing to cooperate in the work of organizing peace, this conference declares that the armed strength of the countries loyal to the League of Nations must be conditioned by the armed strength of the potential aggressors.
>
> The conference therefore reaffirms the policy of the labour party,—
>
> Notice this:
>
> —to maintain such defence forces as are consistent with our country's responsibility as a member of the League of Nations.
>
> Note: "As a member of the League of Nations."

I was present at that conference, and the statement was made quite definitely that that amendment did not obligate the parliamentary Labour party to vote for increased armaments in the House of Commons. They were free to oppose them if they saw fit, and we see by to-day's Montreal Gazette that they have done that. In a report of the discussion that took place on the armaments increase in the British House of Commons yesterday, I find this:

> Frederick Pethick-Lawrence, a former financial secretary of the treasury, led for labour. He announced labour would vote against the resolution, due to two main reasons.

[Mr. MacInnis.]

It is not necessary for me to state those reasons, but the fact is that labour is opposing the rearmament program of the British government, but would support a rearmament program if the British government would give wholehearted allegiance to the League of Nations. And not only is the Labour party opposing the British government in their rearmament program, but the Liberal party is opposing it.

> Sir Archibald Sinclair for the opposition Liberals pressed the point of foreign policy. He charged the country now was paying the price for the government's "feebleness and vacillation" in the Ethiopian dispute.

So there is no point in saying that the British Labour party is at present in favour of the government's rearmament program.

Mr. MARTIN: Will the hon. member permit a question? I was present at Edinburgh at the conference to which he refers. Is it not true that at that conference it was resolved by the Labour party to support the then rearmament program of His Majesty's government of the United Kingdom as distinguished from the decisions of the past week?

Mr. MacINNIS: No; it is not true.

Mr. MARTIN: I say it is true.

Mr. MacINNIS: Well, we must differ on that point. The leader of the opposition, Major Attlee, made the statement quite clearly that the resolution then passed at the conference put the Labour party under no obligation to support the armament program of the British government.

Then the Minister of National Defence referred to Sweden. There is no comparison in this matter between Sweden and Canada. Sweden is an old nation which is very close to the centre of trouble in Europe. In Sweden most of their present armaments are of long standing. When the question of increase in military expenditures for the defence of Sweden came up in the Rigsdag last spring this is the position the social democratic party took. They said they would not consider external defence separate from internal defence; in other words they would not consider external defence separate from social security within. They had proposed a measure to increase old age pensions, and because they would not accept the rearmament program suggested by the opposition they were defeated. They went to the country and were returned, as was certain would be the case, with an increased majority. There is no comparison here to be made between Sweden and Canada.

Among the fourteen points of the Liberal platform I notice that regarding the last one, referring to our foreign relations, he said, "We would seek to further the League of Nations in its work." Unfortunately that part of the program has not been fulfilled, any more than that dealing with unemployment insurance. Almost the first thing they did after coming into office was to sabotage the league, and to a great extent the Canadian government is responsible for the position the League of Nations is in to-day

The Minister of National Defence told us there was no new policy and there were no increases; then he went on to tell us what the increases were. I have often wondered what are the uses of those increases in arms, planes and military equipment and supplies at the present time. I wonder how much protection the men who line up at Hamilton Hall, in my hon. friend's constituency, every day in order to get their handout of clothes are going to get under this scheme. In British Columbia we are going to be protected from the Japanese. In the prairie provinces we need aeroplanes to protect us against sporadic raids on our sources of food supply. In Quebec we are going to be protected from subversive elements. In a speech delivered in this city on February 10 of last year the Minister of National Defence said:

> There are two cardinal and guiding principles to be borne in mind when establishing a system of national defence; first, we must have the defence forces sufficient to control subversive elements from within and sufficient to repel attacks from without.

It is rather strange that in his address in the house on Monday evening of this week the minister made no reference at all to subversive elements. We were told that these increases in the military forces of the country were necessary in order to maintain our neutrality. Yet when the question of Canada remaining neutral in any future war was brought up in the house some weeks ago the government took the position that it would be impossible for Canada to say in advance that she would remain neutral under any circumstances, that no one could say whether or not we could remain neutral.

Now I should like to know what are the subversive elements for which we require such enormous increases. Evidently in 1936 this was the important point in the program of the Minister of National Defence, because he put it first. Is there any indication that the present forces in the country are inadequate to cope with any situation that may develop? In my opinion there is no more to fear from disorder within this country to-day than there has been at any time within the last twenty years; in fact I think there is less to fear. But who are the subversive elements against which we are going to guard ourselves, and can it be shown that an increased military force is a satisfactory way of dealing with them? Does the Minister of National Defence take the position that what he is pleased to call subversive elements "just growed" like Topsy in Uncle Tom's Cabin? Should he not take the modern view that cause and effect follow each other as a natural sequence? The modern way of dealing with unrest within a country is to try to find the causes of the unrest. If the minister would take a little time to associate himself with the people who do the work of this country he would soon find that there is reason enough for social unrest. If he would take time to read the briefs that have been presented before the textile inquiry he would acquire a better understanding of why sometimes people are driven to action which may be considered illegal, in an effort to remove their economic difficulties.

The textile commission was investigating conditions largely in the province of Quebec. Is it merely an accident that on the part of members from that province we find emphasis placed on the necessity of increasing armaments in order to preserve the country from subversive elements?—as one of those hon. members said the other evening, communist and labour troubles? For myself, after I read certain sections of the brief presented to the commissioner investigating the textile companies I came to the conclusion that if there are subversive elements at work within the province of Quebec those elements are not the communists or the labour organizations. They are the textile companies themselves. But I doubt very much if a bomber would be sent by this government to protect the workers from exploitation by those companies. I would point out also that, in our fast moving world, those who to-day are crying loudly for the putting down of subversive elements, to-morrow may find themselves to be the subversive elements. In consequence it behooves us to get busy and make an attempt to remove the conditions which generate subversive activities rather than to prepare to suppress such activities, which are more or less protests against intolerable conditions.

We are arming for defence. As the minister mentioned each increase in armaments, he told the house that they were for defence. The speakers on the government side of the house, when they attempted to defend the policy of the government at all, took the same line. Of course there is nothing new in that;

all countries are arming for defence. Great Britain is arming for defence. The United States is arming for defence; Russia is arming for defence. Do not let us forget that following the discussion in the House of Commons in England yesterday with reference to their armament program, a man prominent in navy circles in the United States made the statement that in view of the increasing expenditure on arms in Great Britain the United States might also have to increase her armaments.

Mr. FINN: But the president did not say that.

Mr. MacINNIS: The president will be guided by his advisers, and this gentleman was one of his advisers.

Mr. FINN: What was his name?

Mr. MacINNIS: He was a rear admiral of the navy. I can give my hon. friend all the information he wants. I am referring to Admiral William D. Leahy, chief of naval operations, who made this statement, as quoted in the press:

> It is a fair presumption that if any other power expands its fleet the United States may find it necessary to do likewise.

This is the traditional policy of the United States, to maintain a navy second to none, which means that the United States navy must not be second to the British navy, regardless of our friendly relations. As I was saying, all the countries are arming for defence. Germany is arming for defence; Hitler says Germany is arming for the defence of the German people and their right to live. In a book I read recently the statement was made that Great Britain never engaged in a war of aggression, that all her wars were wars of defence. The author pointed out, however, that strange as it may appear Great Britain has come out of every war with increased territory and usually with a great deal of other booty as well.

Mr. FINN: Do you believe that?

Mr. HEAPS: Mr. Speaker, I rise to a point of order. The hon. gentleman has done nothing but interrupt the hon. member for Vancouver East (Mr MacInnis) since he began to speak, and the hon. member for Halifax has not once risen to his feet in order to express his interruptions properly. If the debates of this house are to continue along this line we will never get any business done at all. For the past half hour the hon. member has been in his seat and has done nothing but mumble and interrupt the hon. member who has the floor, and I say he ought to be reproved.

[Mr. MacInnis.]

Mr. FINN: What are you doing?

Mr. HEAPS: I will ask you to see, Mr. Speaker, that the hon. member who has the floor gets an opportunity to speak, as is the right of every hon. member.

Mr. SPEAKER: When the hon. member for Halifax said a few words, he did not speak very loudly. I thought the hon. member who is now speaking did not mind it very much, because he did not ask that the member who was interrupting be called to order.

Mr. MacINNIS: We are told, then, that we are not committed to taking part in any trouble overseas. That may be true at this time, but let us bear in mind that Great Britain is not actively engaged in war at the moment. As the law now stands the governor in council may send the militia anywhere in Canada, and also beyond Canada, for our defence. In this connection may I briefly refer to the militia act.

In the event of an emergency which section 2 (b) of the act defines as war, invasion, riot or insurrection, real or apprehended, section 64 empowers the governor in council to place the militia or any part thereof, on active service anywhere in Canada, and also beyond Canada, for the defence thereof, at any time when it appears advisable so to do by reason of an emergency.

The emergency, if there is one, lies with the governor in council to determine. Before we know it, if we have armies and war equipment, they will be sent wherever they are needed. Speaking in the British House of Commons yesterday Mr. Neville Chamberlain said:

> So far as the dominions are concerned, it is not the intention to call upon the dominions to make any contribution to a common fund. The dominions, as a matter of fact, have spent a great deal of money—

Some hon. MEMBERS: Time.

Mr. MacINNIS: May I finish reading this?

Mr. MACKENZIE KING: Yes, let the hon. member finish.

Mr. MacINNIS: I shall continue:

> The dominions, as a matter of fact, have spent a great deal of money upon perfecting or improving their own defences, and that is their contribution to the common fund, but there is no other form of contribution, of which I am aware, under discussion at the present time.

So, you see there is a common fund to which the dominions contribute.

Mr. MACKENZIE KING: May I ask the hon. member a question? I did not like to interrupt him when he was speaking. He

made a positive statement that one of the first acts of the present administration, after taking office, was to sabotage the League of Nations. Would he please tell the house in what way that is true?

Mr. MacINNIS: First of all, may I thank the Prime Minister for not interrupting me while I was speaking; I had plenty of interruption. I do not think the right hon. gentleman is at a loss to know to what I referred. Very shortly after he took office—possibly before he took office—the League of Nations decided to apply sanctions against Italy, and named her the aggressor in Abyssinia. Then the question of oil sanctions was raised in the council of the league. If there were anything necessary to stop Italy in Abyssinia, it would be the application of oil sanctions. This government repudiated the suggestion supposed to have been made by Canada's representative at Geneva. Could there be anything more calculated to give assurance to Italy that Canada was not with the league than this attitude with respect to the application of sanctions? It was a matter of giving comfort to the enemy, and I say in doing that Canada sabotaged the league.

Mr. MACKENZIE KING: As a matter of accuracy may I state that so far as the application of sanctions is concerned, the present government applied sanctions against Italy. So far as oil sanctions are concerned the present administration made it perfectly clear that the suggestion was not a Canadian suggestion, that it was a suggestion of a committee of the league, and that it was altogether wrong to say that the application of oil sanctions was Canada's project. There was nothing more than that, so far as the present administration is concerned.

Mr. BENNETT: It was not until December, though, that it was done.

Mr. MacINNIS: Was there any danger to Canada, even if it were Canada's suggestion?

Mr. LAPOINTE (Quebec East): If war had been declared or had spread as a result of the application of oil sanctions, would the hon. member have been in favour of Canada participating in that war?

Mr. MacINNIS: Mr. Speaker—

Mr. MERCIER: Answer.

Mr. MacINNIS: Yes, give me time.

Mr. MERCIER: Don't make a detour.

Mr. MacINNIS: This government applied sanctions. If war had resulted from the application of sanctions, what position would this government be in? The purpose of sanctions was to stop aggression in Abyssinia. The more absolute the sanctions applied, the greater the possibility of stopping aggression. Any action taken under the league might lead to war.

Mr. LAPOINTE (Quebec East): But suppose the hon. member is wrong, and there had been a war, would he have been in favour of participating in that war?

Mr. MacINNIS: Most certainly, in any action which Canada as a member of the league would take to protect another member of the league.

Mr. LAPOINTE (Quebec East): You must have some armament for that, though.

Mr. MacINNIS: Yes, but we are not using it for that purpose.

Mr. PIERRE GAUTHIER (Portneuf) (Translation): Mr. Speaker, every time a public man has to express an opinion or to advance a policy on a question of vital importance to his country, he must do it as fairly as possible. The satisfaction he may derive from seeing his name in all the papers, his concern about reelection, the more or less attractive reward that may be held out to him according to his attitude toward the party which he supports, in fact every personal consideration must give way to his duty as a representative of the people, and as a patriot.

Mr. BOULANGER: Mr. Speaker, I deem it my duty to raise a point of order. The hon. member has just made a statement that I cannot let silently go by. From the outset, the hon. member sought to leave the impression that those who do not share his views are actuated by personal interest and a desire to reap some benefit from the party to which they belong. I cannot let such a statement pass without protest, and I ask, according to rule 41 of the Standing Orders, that the hon. member be called to order, and that he be reminded that he has no right to impute motives to others.

The hon. member is a newcomer in the House of Commons. He may have many things to learn yet; in the first place, politeness and decency. I do not impute motives to anyone, and I do not want to have any imputed to me. I let everybody free to express their views and I claim the same privilege. I am endeavouring to be polite, courteous and considerate, and I am expecting others to treat me likewise.

Therefore, I shall ask you, Mr. Speaker, under rule 41, and according to the Standing Orders of the house which preclude the imputation of motives to a fellow member,

to call the hon. member to order, further that he be asked to withdraw the offensive words which he has just uttered, and that he be reminded that the debates of this house must not be disparaged by personal remarks.

Mr. LACOMBE: Mr. Speaker, speaking on the point of order, I wish to state that the hon. member did not mention any member of the house in particular, and that he has a perfect right to comment upon previous speeches. The hon. member who opened this debate made no personal reference to the hon. member for Bellechasse (Mr. Boulanger)—

Mr. BOULANGER: Mr. Speaker—

Mr. GAUTHIER (Translation): One speech on a point of order ought to be enough.

Mr. BOULANGER (Translation): If you will permit me, I shall quote the rule to which I have just referred in English, because I have not the French version before me. Here is what rule 41 says:

No member shall speak disrespectfully of His Majesty, nor of any of the Royal Family; nor of the governor or person administering the government of Canada; nor use offensive words against either house, or against any member thereof. No member may reflect upon any vote of the house, except for the purpose of moving that such vote be rescinded.

And a little further, at page 97 of Beauchesne's Parliamentary Rules and Forms, number 207:

The imputation of bad motives different from those acknowledged, misrepresenting the language of another or accusing him, in his turn, of misrepresentation, charging him with falsehood or deceit; or contemptuous or insulting language of any kind; all these are unparliamentary and call for prompt interference.

While addressing the house, the hon. member for Portneuf (Mr. Gauthier) stated clearly that those who did not share his views—

Mr. GAUTHIER (Translation): It is untrue.

Mr. BOULANGER (Translation): —that those who expressed opinions contrary to his own were probably actuated by personal motives and were likely seeking some reward for the services which they rendered the Liberal party. That is what I am objecting to, Mr. Speaker, and I ask that the member be called to order, and furthermore that he be asked to withdraw his statements.

Mr. LACOMBE (Translation): Mr. Speaker, speaking on the point of order, I consider that it would be most unfair to call the hon. member to order. The house will divide, either to-night or to-morrow or later, on this motion which has been presented by the hon. member for Vancouver North.

Mr. GAUTHIER (Translation): Mr. Speaker, speaking on the point of order—

Mr. SPEAKER (Translation): I do not think that the hon. member for Portneuf, in the course of his remarks, has mentioned the name of the hon. member for Bellechasse. I listened to him attentively, and while there was some noise in the house, I do not think that his remarks can be construed as being meant for any particular member of the house who has previously spoken on this question.

Mr. GAUTHIER (Translation): Mr. Speaker, in rising to speak on the motion of the hon. member for Vancouver North, I had no other purpose than that of expressing openly my views, and I am sure that they will be respected as much as I respect those of others. May I hope, sir, that the stand I am taking will be well understood by my political leaders, whom I still trust, even though I may not share their views on the advisability of increasing these estimates, also by those who are from another race than my own, and by others whose political faith is different from that to which I boast to belong since I entered public life.

I was born, and I live in a French-Canadian province which is part of the Canadian confederation. Although proud of being a French-Canadian, I am proud also of being a citizen of Canada. And I dare believe that following the observations I wish to offer to this house, I shall have no apology to make, no regret, and that I shall still have the satisfaction of being able to face my compatriots, whether in the province of Quebec or in any other province of this dominion.

The motion of the hon. member may be divided into two parts, for the object of this discussion. Thus the first one:

This house views with grave concern the startling increases of expenditure proposed by the government for purposes of national armament—

And the second one:

—in contrast with the inadequate provision for the social security of all sections of the Canadian people.

Judging by the several speeches which have been delivered in this house, it is clear that the majority do not consider this increase as being unreasonable; on the contrary, that it is necessary and that it is our urgent duty to support it with all the strength of which a real patriot is capable. A smaller number of hon. members believe that we are not

financially in a position to ask the Canadian people to vote, through their representatives in parliament, another 14 millions for national defence, that there is not such an immediate threat of invasion, and that our geographical position protects us somehow against any ambitions on the part of other nations. Mr. Speaker, I share these last views and I shall vote against the increase in the defence estimates.

We hear some people say: Of course, if an increase of a few millions to make our army more up to date and more efficient amounted to a declaration of war, or if it were likely to lead us to war, we would be the first to vote against it; but let us hope that we would be consistent enough not to give a vote of confidence in the government immediately after voting against an increase in the defence estimates. Mr. Speaker, since when does the Liberal platform consist exclusively in a plan of national defence? Why would it be inconsistent to vote confidence in the government, and at the same time to vote against the increase of military estimates only?

The Liberals have never known of any bondage within the ranks of their party, and Canadian Liberalism owes its strength to the fact that it has no limitations of any kind. All the honourable members are, as I am myself, opposed to participation in foreign wars, but should war break out to-morrow and the empire be involved in it, they cannot tell in advance that Canada would not follow the same course as in 1914. Unforeseen circumstances will again cause the boundaries of Canada to be shifted perhaps beyond Flanders.

Let me quote a statement made on the 5th instant by Sir Samuel Hoare, first lord of the admiralty, as reported by the Canadian Press:

> Speaking at a dinner of the Bradford chamber of commerce, Sir Samuel stated the sister states of the empire would find any system of isolated local defence extravagant and inefficient.

I shall quote at once a few comments by Sir Wilfrid Laurier upon the Guthrie amendment to Bill No. 21, introduced during the 1912-1913 session, by Sir Robert Borden, prime minister. On page 7232 of Hansard, Sir Wilfrid is reported as having said:

> I now come to a consideration of the fact, made manifest by one of the last speeches of Mr. Churchill, that the admiralty favours contribution and not autonomous organization. This is not a new thing: the British admiralty has always preferred a system of imperial contribution to the idea of autonomous organization. At the imperial conference in 1902, Lord Selborne, the predecessor of Mr. Churchill, made a proposal that we should have imperial contributions.

In 1902, in 1912, in 1937, the outstanding men who have successively discharged the duties of first lord of the British Admiralty took an entirely similar view. Sir Robert Borden shared this opinion and requested the House of Commons to vote 35 million dollars as a contribution to the naval forces of the empire. Laurier had gone down to defeat on the navy issue and he, a Liberal who believed in expenditures for this country's own defence, put up a stout fight for the triumph of his views. And we saw men who had fiercely opposed him in Quebec, we saw erstwhile nationalists turn Conservatives overnight and vote for the policy of a contribution to the empire. That was not Laurier's policy, and that is not, it seems to me, the present government's policy.

On August 4, 1914, war broke out. What did Canada do? Even those who had helped to defeat Laurier forgot their speeches on behalf of the Canadian homeland, even prominent supporters of Laurier forsook him in order to join the Union government and vote for war.

In spite of the oft-repeated assurance that national service registration would not lead to conscription, compulsory military service was established here, (I don't say that in the house) What happened, sir?

To-day, trustworthy men are governing Canada. Their policy is Canadian, as was Laurier's policy, but nevertheless Canadian blood was shed in Flanders. A country with a population of 10 million inhabitants, overcome by war fever and imperialistic enthusiasm, raised within a few months a large army. Public men who had unflinchingly opposed our participation in foreign wars voted for the dispatch of troops to help the empire. Circumstances were beyond human control, events were compelling men to act against their own will and Canada became involved in a foreign war. Such sacrifices were made by an unprepared country.

The vote we are called upon to give on the increase in our military estimates is one that expands not only our defensive power, but also our contributing capacity whenever the alarm is raised. And should the same thing happen, should events compel our leaders to act against their own will, it would be too late then to oppose armaments and to make known our refusal to participate in a foreign war in which the empire would be involved. It would be too late then to prevent war preparations and in the excitement that seizes a people in time of war, we would hear again the words: "Aye, Aye, ready."

How much more will the lords of the admiralty, encouraged by circumstances and events, be tempted to play upon Canadian feelings when our country is so prepared as to be able to give a contribution more in keeping with their requirements. Now is the time to give them a warning.

Some might think that the importance of this debate is being overexaggerated. I would vote as willingly as anyone the millions which are requested if we had not such a heavy national debt, if we had a larger population to take care of taxes, and if work were more plentiful.

Why should Canada, at a time when she envisions a brighter future, when she is recovering her faith in her destinies thanks to an essentially Canadian policy, why should our country be halted on her triumphal march against economic and financial difficulties? Why should a war threat, originating not here but outside, introduce feelings of uneasiness and uncertainty about the future, into her now confident mind. She needs all her strength, all her energy if she is to win an ultimate victory, and emerge from the chaos of the post-war depression. Let those who are in favour of armaments and war carry on, if they wish, their unending quarrels. As for us, we want peace and we wish they would let us work peacefully towards securing unity and prosperity for the Canadian people. Many years ago, Prime Minister Ramsay MacDonald said in an address delivered before the American congress: "We are all overarmed."

Personally, I believe that this debate and this vote are of the utmost importance and if I am taking such a stand on this question, the reason is that I have somewhat studied the history of European and many other countries. I have witnessed, as everyone has, the mournful events that have occurred since 1914 and if the same thing is to happen again, I want my vote to result neither directly nor indirectly in the participation of Canadian men in a war that would be none of our concern.

Mr. LACOMBE: Hear, hear!

Mr. GAUTHIER: I do not presume, Mr. Speaker, to think that my vote may prevent war or my country's participation in a foreign war. Others in this house voted against conscription, which was nevertheless passed by parliament.

But they availed themselves, as I am doing now, of the right to state frankly their views, and their names have not been banished from the minds of their compatriots as if they had betrayed their country.

[Mr. Gauthier.]

But war has not broken out, and I might be told to wait before passing judgment. I am waiting, Mr. Speaker, trying meanwhile to secure information about the opinions that are being entertained within the empire, in view of the so urgent need of armaments. On the 7th instant, the following statement—reported by the Canadian Press in cooperation with the Havas agency—appeared in the London Sunday Times:

Possibility of the dominions sharing expenses of the new rearmament program.

The dominions, the paper says, "could not, for example, continue to enjoy the priceless advantage of her fleet protection if they allowed Great Britain to be crushed through the air, British rearmament is at present a heavy charge on the taxpayer, the contribution now being four times that of 1914, when Great Britain already had the highest tax rate in the world.

"The burden of armaments will be far heavier than in any period of peace in our history. The line of security is to survey and utilize as far as possible the resources of the whole empire for the empire's defence."

Such is the opinion put forward by a London paper, and at this time when all nations of the British Commonwealth are arming, the writer believes, so it seems, that when England launches a program of armaments, Canada and the other parts of the empire should follow suit.

In a recent article published in the Montreal Star, we could read the following:

(Text) The French Canadians are not alone in asking to be shown that they should fight in any particular war. That is the attitude of all the people in this hemisphere. When the Great war broke suddenly on the world in August, 1914, Canada prepared with splendid promptness to send an expeditionary force. Her leader knew that they simply must do it—that it was literally a matter of life or death, but her people did not. Eighty-five per cent of the first regiments that sailed for Salisbury Plain were old countrymen. What did this very significant circumstance show? Clearly that the old countrymen resident in Canada responded automatically to the call when the flag went under fire. That is the European psychology. But the Canadians took time to look into the situation and think it over. When they were convinced that it was their fight they responded nobly—but not until they were convinced. French Canada as a whole was never convinced. Many French Canadians were, however, and many of them went and died gallantly on the field of battle.

But the Canadians took time to look into the situation and think it over. When they were convinced that it was their fight they responded nobly, but not until they were convinced.

I hope, Mr. Speaker, that they should never be convinced to go abroad, and in doing my utmost to convince them, should an external war break out in the future, to stay

here in Canada and keep their strength and their blood for their own country, I am convinced that I would be doing my duty. French Canada as a whole was never convinced —(translation) but conscription convinced them, English-speaking Canadians and French-speaking Canadians, that they had to go, and many of them went to be killed in defence of democracy and of the empire. They could not resist circumstances and events, and I wonder if those who died on a foreign soil would find exaggerated the importance of this debate during which Canadians like them, who do not wish to see their fellow citizens, perhaps their sons, go through the same sad experience, are trying in every way to explain their point of view. I wonder—I fear not their judgment—if they would brand us as traitors or unpatriotic.

Needless for me to mention over again the arguments brought forward by the honourable members who spoke before me on the possibility of having to cope with trouble from within our own territory. I believe the increased strength of the Royal Canadian Mounted Police, the finest police organization in the world, would keep us sheltered from danger. But. Mr. Speaker, and here I am dealing with the second part of the motion under discussion, certain agitations can be prevented, not by force but by a well organized, constant, fearless and intelligent struggle. You will gather from this that I wish to refer to the menace of communism.

The second part of the motion of the honourable member for Vancouver North reads as follows:

> In contrast with the inadequate provision for the social security of all sections of the Canadian people.

In this, Mr. Speaker, I see an oratorical precaution and a socialistic anxiety.

The Almighty has decreed the existence of classes differing intellectually, financially and socially. To think that everybody is equal, that all the minds are equally brilliant, that man is endowed with qualities that exist and find their expression to the same degree, is only a dream.

Those who tried to make humanity believe the opposite was possible were the real founders of the socialistic idea, the first open door to the large communistic structure.

Class antagonism marked the beginning of their activities. The First Internationale was organized in the early fifties of the nineteenth century, when an industrial exhibition was in progress in London.

When Karl Marx issued his famous call: "Proletarians of all nations, unite," the socialists and communists began their activities. To achieve its purpose, the Neo-Messianian School, to which belonged Heine and Marx, was striving to materialize the religious aspirations of an entire race.

And this was being accomplished inasmuch as possible in the silence of cells, where the communistic poison was flowing abundantly.

Disturbances fomented here and there for the purpose of making an important catch or humbling those who were called the tyrants of proletariat, and the same insidious propaganda was recurring. In the meantime, the Second Internationale was established. Jaurés was one of its chief propagandists. He was even making use of the Bible and going down mine pits with it to preach his gospel where the proletarians were at work.

Years went by, then came the Third Internationale, the one responsible for the downfall of the Czars, the one that is trying to upset the political economy of the whole world.

The real important work is not done by force; it is the cells hidden behind various appellations which, in displaying a feverish diligence and a wonderful perfection of organization, spread the materialistic idea, the idea without morality, the idea without authority, the idea without God. The family has always been the object of their attention. Destruction begins there; this is where they prepare the masses by breaking the sacred bonds of family. We have to meet them there and defeat them by persuasion, sound morality and real Christian charity as our sole weapons.

In my province, young men's associations have begun the fight, a fair, gallant and patriotic fight for the preservation of race and nationality. Let us arm and assist them, and should any socialistically-inspired legislation whatsoever jeopardize their task of renovating and reconstructing, let the representatives of the people vote with courage, even if in their midst, hypocritical followers, while not deserting them, support them faintly in their endeavours, or even go so far as placing obstructions in the way often, like Jaurès with the Bible, ably interpreted, and in the name of every thing that is most sacred.

Socialism and communism have nowhere created a Garden of Eden, and despite their brilliant and sometimes delusive appearance, they only bring trouble, misery and the loss of one's illusions.

A great Spanish prelate said: "Give an illusion to the distressed and a pretext to the hot-headed, and you will have a revoluton."

Let our administrators assist the distressed through fair and careful legislation and let not the hot-headed find any pretext in this legislation. Such is our duty. A great Canadian patriot once said: "Future is not a fact;

we have to create it ourselves." Being the humble representative of a rural constituency, I do not claim to be a creator but, as representative of the people, my first and only thought is their peace and happiness.

Mr. Speaker, I regret the incident that occurred at the beginning of my speech. I wonder how the words spoken by me could have been construed as an attack upon one of the honourable members. I am not a lawyer, but a humble country doctor and notwithstanding my knowledge of medicine and neurology, I am unable to do any kind of mind-reading, and I ask those who know me—there are several here—why should I be blamed for entertaining a thought that I never had?

Mr. ALPHONSE FOURNIER (Hull) (Translation): Mr Speaker, I hope that in the course of the brief remarks I intend to make on the matter under discussion, I will not be interrupted on a point of order especially if it is raised by a member of the party to which I belong. I have great respect for the opinions of all those who spoke before me and all I ask of my colleagues is to respect mine. Before I proceed any further, I am bound to say however that the speeches I heard induced me to select my leaders; that selection I made a long time ago, but I am convinced that my country would be well advised to ignore the advice or the policy suggested by the honourable members for Portneuf (Mr. Gauthier), for Quebec West and South (Mr. Parent), for Laval-Two Mountains, (Mr. Lacombe), for Vancouver North (Mr. MacNeil), for Rosetown-Biggar (Mr. Coldwell), for Vancouver East (Mr. MacInnis) and other members of the C.C.F. party. In the best interests of my country, I think I should follow the advice given us by the members of the present government who, in the past, have given sufficient proofs of their devotion to their country and of their knowledge of Canadian international politics.

For the past two days, the object of this debate seems to have shifted. I have always been under the impression that the motion that the house go into committee of supply and the amendment to that motion called for consideration of the increase in defence estimates. I find, however, that many members who spoke on that question have not limited their observations to that increase but have considered the matter from the point of view of Canada's participation in foreign wars, of the sending of expeditionary forces and even of effecting direct contributions to the mother country. To one who knows that for forty years a nationalist movement has been organized in the province of Quebec for the purpose of throwing Canadian politics into confusion, especially when the Liberal party was in power, that shift in the discussion is no surprise.

Twice we have contributed to imperial wars since confederation. First in 1899, when a Canadian contingent was sent to the Transvaal to take part in a war which many people thought unjust. I have often wondered, in pondering over history, if the leader of my party was not yet at that time imbued with that colonial spirit which made it compulsory to take part in the imperial wars. As soon as that contingent had departed, the nationalist movement came into life under the leadership of very brilliant men, in the province of Quebec, with the result that, in 1911, the Liberal government which had decided to build for our national defence a few ships, some cruisers and torpedo boats for the protection of our coasts, had to face a furious attack on the part of the nationalists.

In that election, the Liberal party lost 25 seats in the province of Quebec. The Canadian navy in that province and the reciprocity treaty in the western provinces were the main issues during the electoral campaign. The slogan in the western provinces was: No truck, no trade with the Yankees.

When these 25 members took their seats in the House of Commons they were determined to vote against any participation in imperial wars. The following year, the new government voted a direct contribution of $35,000,000 to help the British navy. I do not think that more than three or four of the 25 members which had been elected to prevent Canada of helping or taking part in foreign or imperial wars voted against this contribution of $35,000,000. And then the same men who advocated in the province of Quebec that exaggerated nationalism announced that they were admirers of the empire and that they had become imperialists.

I was in Ottawa when war broke out in 1914. Parliament was summoned immediately, two or three days later 50 millions were hastily voted and Canada was engaged in an imperial war. Our contributions to the great war increased ever since and they finally led to conscription. Our contribution to the great war and conscription have been used as an argument by those who criticize now the increase in the defence estimates. I do not blame them because they seem to confuse the expressions "increase in defence estimates" and "participation in imperial wars."

I will endeavour, in the course of my remarks, to give my own opinion on this subject. I am not a country doctor; I am just a lawyer who tried to learn the history of his country and to give to his fellow-citizens the benefit of whatever experience he had acquired in this house. After the great war, the whole world hoped for eternal peace but to-day, after nearly twenty years of peace I find the same spirit of militarism still rampant.

Coming back to what I said about the part taken by Canada in two foreign wars, I want to mention the fact that it happened at a time when our expenditures were at their lowest and when we were least prepared for war. In 1899, at the time of the Transvaal war, our militia estimates were practically nil. Did the lack of militia estimates prevent us from taking part in that war? Not at all. In 1914, following the 1911 period and after the bill respecting our contribution of $35,000,000 had been defeated in the Senate, we were still finding ourselves in a period where no provision had been made towards national defence. Did that prevent parliament from voting in favour of our participation in that imperial war? Not at all.

I think, Mr. Speaker, that we should make a distinction between these two matters: "Increase in the estimates for the protection of our country," and "participation in imperial wars, sending expeditionary forces or making direct contributions to Great Britain."

We should consider now what will be the future status of our country. We are part of the British Empire. Are we satisfied to belong to the commonwealth of British nations? Personally, I am.

Our world status could be settled in two different ways. We should endeavour to obtain an effective commercial and economic protection. We might become an integral part of the republic to the south. I cannot accept that plan. We might gain our independence right now. If the Canadian parliament were to proclaim its independence, I have no doubt that Great Britain would be at a loss to find means to prevent a nation of eleven million people from proclaiming its independence while at the same time maintaining bonds of friendship with her. We have to choose between those three policies. Are we to become independent? What would our independence mean in the world, from a military standpoint? Do you think that we would enjoy the sympathy of our great neighbour to the south if we were not sheltered by the might of the British commonwealth of nations? I wonder if the United States would still have the same consideration for Canada. Because we are a growing nation, because we have not yet reached the phase of maturity and because we still have to rely on somebody else for the development of our territory, we must not as yet become independent. Surely our population is too small to defend the country against an aggressor.

Could we be an integral part of the United States without increasing our defence estimates? Do you believe for one moment, Sir, that the United States would let us sit quietly without contributing our share of taxation for the defence of our common territory? Considering that the United States are spending 400 million dollars to increase their navy, do you think that we would be exempt from contributing our share of taxes for such armaments? Being a part of that great republic we would be submerged by their 120 million inhabitants and we would pay our share of all future wars, which may not happen but which nevertheless cost money. We would have to make those expenses but our say in the matter would be that of ten or eleven million people as against 120 millions; our influence would only be a twelfth or a thirteenth of what we have to-day as part of the British Empire. To-day, we have an autonomous parliament. If we are allowed to express such different views as have been heard in the last few days, it is due to the fact that we have a free parliament. We can approve or denounce any measure brought down by the government. Such is our present status.

Now let us look at other countries of the world. What do we find? At the present time nations are divided into two groups. We have, first, the empires possessing vast territories: Great Britain, France, Russia, United States. How have Great Britain, France and Russia acquired their territories? By resorting to violence, to war. If Great Britain is in possession of our country to-day, it is through conquest; if she holds India, it is through force; if she took possession of Australia, it is through occupancy; if she is in possession of Transvaal and South Africa, it is the result of war.

Look at the great French empire in Africa. You will find that it is the result of conquest. Russia has conquered Siberia and other parts of Asia. United States have not so many possessions. But how have they acquired them? West Indies, Cuba, which is under their protectorate, the Philippines are all in their power as a result of the Spanish war. If those nations have been able to extend their territories in the world and if their

citizens have secured the trade of the conquered countries and are consequently in a position to do business in all parts of the world, if those nations have acquired all those possessions, it is through war.

Do you think that in the other group of nations, including Germany, Italy and Japan, no men could be found who have not been thinking and studying history and reaching the same conclusions as we have? Those three nations, stifled in their boundaries, will some day enlarge their possessions by resorting to violence, armaments, war and conquest. Take the last two instances of invasions: Manchuria, conquered in order to provide an outlet for Japanese citizens; and the conquest of Ethiopia, the natural resources of which England and France coveted. But those two great powers, rather than start a world war, let Italy take possession of that immense area in which she could pour her surplus population.

Germany is overcrowded. She demands colonies. She casts greedy eyes on Poland. She is preparing for war and is armed up to the teeth.

Do you think the nations in the latter group, dissatisfied with their lot and jealous of other great powers, have been arming in order merely to have the satisfaction of looking at fine soldiers parading the streets? Those nations follow the example set by the nation to which we all belong. War will break out some day. Let us still hope that it will not be too soon and that we will not be called upon to participate in it.

I would now like to make a statement, sir. As a matter of principle, I am opposed to foreign wars, to our participation in wars fought in Europe, Africa or Asia. But I will not admit that, being an integral part of the British Empire, in the event of our territory being invaded, we should stand aloof. I am in favour of defending the Canadian territory. If the day ever comes when we must defend it, I want to be in the position of the man who buys insurance, as the hon. member for Bellechasse (Mr. Boulanger) said, I want to take the insurance before any accident happens. I want a little protection at home.

On that question of defence estimates, I have been and I am consulting every day electors in my constituency, and I will tell you an incident which confirms my own views. In our town, we have one of the finest regiments in Canada. That regiment has been in existence for more than twenty years, but without quarters suitable to its normal development. On more than one occasion, we have asked for a drill hall in Hull in order to accommodate our regiment.

[Mr. Fournier.]

Before approving the scheme, I asked its promoter to ascertain what the general opinion was and to inform me if a majority of the population, of organizations and of persons of standing in my constituency were in favour of the proposal. The movement was started in the spring of 1935. I asked the leading organizations in my district for their opinion before taking a stand myself. The archbishop of the diocese has been approached on that question by Mr. Thomas Moncion, chairman of the Senior Chamber of Commerce. I have a copy of a letter addressed by Mgr. Forbes to Mr. Moncion, on May 13, 1935, and I will read it:

May 13, 1935.

Mr. Thomas Moncion,
Chairman of the Senior Chamber
of Commerce,
Hull, Que.

Dear Sir:

Having been acquainted with the request that the Hull Senior Chamber of Commerce has the intention of presenting to the dominion government for the building of a drill hall in the city of Hull, it gives me great pleasure to encourage such a movement and to wish it success. I will go so far as encouraging it by means of the present letter. It seems to me that a drill hall is essential in Hull, because of the existence of a regular regiment. Its construction would provide work for the numerous unemployed in the city; and the existence of such a building would be useful to the city of Hull in various occasions, in addition to giving accommodation to soldiers.

Believe me yours religiously,
(Signed) Guillaume Forbes,
Archbishop of Ottawa.

A few days ago, after the defence estimates had been brought down in the house, my parish priest wrote to me as follows, under date of January 30, 1937:

Les Missionnaires Oblats de
Marie-Immaculée,
Presbytère Notre-Dame-de-Grâce,
Hull, Que., January 30, 1937.

Mr. Alphonse Fournier, M.P.,
House of Commons,
Ottawa.

Dear Mr. Fournier:

Those interested in the plan have asked me to write a letter for the purpose of recommending the building of a drill hall in Hull. I willingly grant that request.

The Hull Regiment, in existence for many years, has so far been accommodated in rented quarters, while, in other cities, military units have suitable buildings. In consequence it seems only reasonable that the Hull regiment have their own drill hall, considering moreover that the project would have the effect of relieving unemployment in these times of distress.

For those two reasons, it is with pleasure that I approve the request that has been sent to you.

Believe me yours truly,
(Signed) Alcide Béland, o.m.i.,
Parish Priest.

But I was not content with obtaining an expression of opinion from my archbishop and my parish priest, I also sought the views of the Conservative member for Hull at Quebec.

An hon. MEMBER: National?

Mr. FOURNIER: Not the National, but the Conservative party. Here is his letter:

Hull, P.Q., February 1, 1937.
Mr. Alphonse Fournier, C.R., M.P.,
Hull, P.Q.

Dear Sir:

I take the liberty of writing you to state that I heartily endorse the plan for a drill hall in the city of Hull. I understand that the larger cities in the province of Quebec have a drill hall and I trust the federal government will think of Hull this year.

I invite attention from the ministers on this point.

This drill hall meets a real need and I trust your efforts will be crowned with success.

I will find it a pleasure and make it my duty to join at any time any delegation calling on the Minister of National Defence.

Cordially yours,
Alexandre Taché, M.P.P.

I will go a step further: L'Association Catholique des Voyageurs de Commerce in my home town goes the length of adopting a resolution and writes me the following letter:

Hull, January 30, 1937.
Mr. Alphonse Fournier, M.P.,
Hull, P.Q.

Dear Sir:

The O.V.C. of Notre-Dame de Hull was pleased to learn of your efforts in an endeavour to obtain a drill hall for our city.

Commendable efforts on the part of all our associations failed a few years ago to obtain such a favour from the government. We venture to believe that we will be fortunate in our present endeavour.

Although opposed to any militaristic idea or imperialistic tendency, the A.V.C. is glad to give its support that the city of Hull may obtain a drill hall such as other cities have enjoyed for long years past.

You will recall the date on which the National Defence estimates were brought down.

A resolution to that effect was adopted last evening, January 29, at our regular meeting.

Assuring you, sir, of our deep consideration, we beg to remain

Faithfully yours,
L'A.C.V. de Notre-Dame-de-Hull,
Georges-H. Grondin,
President.

Mr. LAPOINTE: January of this year?

Mr. FOURNIER: Yes, January 30, 1937.

Mr. DUPUIS: They have changed their minds.

Mr. FOURNIER: Now, so as to obtain adequate support for my argument before the house, I also approached l'A.C.J.C., my home town branch being the Groupe Reboul, and they also wrote supporting the plan. Only, as young men, I admire their perspicacity: foreseeing the discussion which was to take place in this house, they wrote:

Hull, P.Q., January 28, 1937.
Mr. Alphonse Fournier, M.P.,
Main St.,
Hull, P.Q.

Dear Sir:

We have recently learned from the press that the question of constructing a drill hall in our city was being seriously considered. Some influential people in this city as well as a particular association have looked favourably upon the projected execution of this work.

May we be allowed in turn to request your support for this purpose? It is true that in these markedly unsettled times, when everyone talks only of conflicts, this might seem, in the eyes of some people, to be of bad omen, but as it does not appear to us to be the opportune moment for passing judgment on the various opinions which may be entertained—which we have been satisfied to do amongst ourselves—we will limit ourselves simply to request your support for this plan because it will be a source of employment for several unemployed and it will endow our city with a beautiful building.

We trust you will give consideration to this request and thanking you in anticipation of your usual kind attention, we beg to remain

Faithfully yours,
Le Groupe Reboul de Hull,
Aurèle Cousineau,
President.

Mr. LAPOINTE: Hear, hear.

Mr. FOURNIER: But I went a bit further, I approached the still younger group, I called on the Jocistes:

Hull, January 30, 1937.
To Mr. Alphonse Fournier, M.P.,
Hull, P.Q.

La Jeunesse Ouvrière, Section Notre-Dame, endorses the proposed drill hall for the city of Hull.

Louis Raymond Cousineau.

Having previously had to deal with the young people, I endeavoured to see the older ones, and a resolution was passed by the Saint-Jean-Baptiste Society in my own city, requesting that a drill hall be built in our locality. I shall not read the whole letter, but in it is contained a restriction to the effect that they are not imperialists, that they do

not wish to take any part in wars, claiming however that the construction of a drill hall in Hull would in no way affect a declaration of war on the part of Canada or Great Britain at a future time.

I have also a letter from The National Catholic Union. Then come the more sedate citizens in my city—the municipal council—who passed the following resolution, on the 1st February, 1937:

That this council supports the resolution passed by the Hull chamber of commerce under date of January 22, 1937, in connection with the building of a drill hall in Hull, and that copy of the present resolution be sent to Mr. Fournier, member of parliament.

Certified to be a true copy from the minutes of the Hull city council.

H.-Léon Leblanc,
Clerk.

The small property owners' association have no apprenhension as to the building of a drill hall in our community. I am in receipt from them of a resolution requesting my support for the proposal. The Sons of Canada, a well-known organization in our country, passed a lengthy resolution giving their hearty support to the building of the drill hall, and adding: Even though a drill hall were built in Hull, do you think that the government shall at once declare a war or participate in a war? Not at all; I do not think so; no more than I am of the opinion that in passing the present estimates the government's intention is to declare a war on any one whatsoever or to take part in a foreign war. It requires far-fetched arguments to lead one to believe that such a slight increase of 15 million dollars may rouse the world to the extent of leading to a world war at the end of this session. I do not think so.

So as to forget none, I shall proceed. The most widely read paper in my own city is Le Droit, published in Ottawa. I have here an article under the signature of Mr. Henri Lessard who is in charge of the editorial page devoted to Hull. Mr. Lessard is not an imperialist; he is opposed to foreign wars, as well as to any expeditionary forces being sent for participation in a war in Great Britain, in Europe, or elsewhere. This is what he has to say:

The building of a drill hall in Hull would not necessarily mean a greater drive towards militarism or imperialism. In fact, for years past we have had in Hull a local regiment, a regiment which forms part of the non-permanent militia and of which our city is justly proud as a result of the fame this corps has won as well as for the part it takes in connection with our various public ceremonies, both civil and religious. The regiment is a French Canadian one.

[Mr. Fournier.]

The article from which I have just quoted is dated the 29th of January, when the national defence estimates were laid on the table of the house. Mr. Lessard concludes as follows:

We are surely not spoiled by the dominion government, whose seat is close to us; they know or should know what our requirements are. Let us hope that this time we shall be given more favourable consideration. It surely would not be once too many.

In all fairness to the author of that article, I may say that a few days ago he called me up over the phone and inquired as to what was my stand in connection with the debate now taking place. I replied that I was listening with an attention, at which I was wondering myself, to every speech delivered in the house and that I was endeavouring to find, in the arguments offered on both sides, a happy medium, in other words, such a solution as should be arrived at by a government fully aware of their responsibilities at the present time, in connection with military matters. Naturally, his telephone call is being answered to-day. I am in favour of the 14 million dollars increase. I do not want the government to continue along these lines next year, but having closely followed the debates in this house and knowing as I do the leaders of my party, I am safe in saying that they would be ashamed of the statements made by them since the opening of the session, had they not spoken the truth. In support of my contention, may I quote from a speech delivered by the leader of the Liberal party. I would rather believe in his words than in anything said by the members of C.C.F. group, or even by my colleagues in the Liberal party. This is what he tells us—believe it or not: I always believe a man until such time as I am satisfied that I am deceived by him. Then, we have what the right honourable the Prime Minister stated when speaking to the resolution moved by the hon. member for Winnipeg North Centre (Mr. Woodsworth):

As far as the estimates presented to parliament at this session are concerned, any increase placed there has been only and solely because of what the government believe to be necessary for the defence of Canada, and for Canada alone.

And then:

No request of any kind has come from the British government to our government with respect to a single item that appears in the estimates as they have been brought down.

Would the Prime Minister mislead, not only the public, but the members of his own party? I do not think so. Would the honourable the Minister of Justice (Mr. Lapointe) involve us in a foreign war? I do not think he would.

Are the four ministers from the province of Quebec inspired by militaristic or imperialistic ideas? It would be a repudiation of all their past, a surrender of the political ideal they have extolled and preached for the last 35 or 40 years. Would it be possible to believe that these men, who have attained the zenith of their political career and—some of whom are in their declining years, would come before the parliament of their country and deceive their faithful supporters? If it were true, I would lose all confidence in human organizations. Do you think that they would come before the parliament of their country to say openly: "Let us vote 14 million dollars" while they would be whispering to us: "Do not say it, but it is for the purpose of sending an expeditionary force to fight in England"? There are people who go on repeating that our public men have debased themselves on the point of making utterances before the parliament of their country contrary to their own views. I am one of those who would abandon their own party if I thought that the present government could be so insincere. There are some people and representatives of certain organizations who are now going through the length and breadth of our province and are advising the people as they have done before, but they will have to admit, as they have done in the past, before crowded meetings, that they have become reconciled with the former leader of the Liberal party. Why did they make their peace with him if they were right before? I sincerely believe that it is not the members of the present government who are insincere but rather those who, in the hope of getting the upper hand in our province, neglect none of the means which might make them succeed, and stoop to all kinds of stratagems for the purpose of misleading the people. I am convinced that I express truthfully the sentiments of the population of our province.

Now, as I want to cover the whole question, I must say that I have received a resolution passed by the junior chamber of commerce of the city of Hull, in which they express their opposition to the construction of a drill hall in our city on the ground that they have asked for the construction of an auditorium, and that the building of a drill hall would interfere with their plans for a recreation centre. I am told that the same organization held another meeting a few days ago at which some young men denounced in the most violent terms any kind of participation in the wars of the empire. I sympathize with the young people of my city and of my constituency. I am just as opposed to any participation in the wars of the empire, but when they say that the increase of the military appropriations is equivalent to participation in war. I cannot agree with them.

I have not yet heard of a supporter of the present government who is going to vote for the amendment of the honourable member for Vancouver North. I do not think there will be any. Either to-night, to-morrow or Monday we shall have to vote for the amendment or for the motion of the Minister of Finance. The Liberal party is going to give its unanimous support to the main motion and will vote against the amendment. Then, when we go into committee of supply, those who are opposed to the increase in the military appropriations will be free to make their objections; it is their right. I repeat that I respect their opinions, as I want my own opinion to be respected. If the supporters of the government are displeased with its policy, they are at liberty to vote against it.

After listening to the speech of the Minister of Defence, I wondered if he could add anything to what he said. Will he be asked to give the names of the ships we are going to purchase? What other details could be asked for? Has he got to tell us the number of buttons on each uniform? Shall he have to tell us the colour of the brick to be used in the construction of the drill hall? We must not stoop to such trifles, and since we have in the past given our confidence to men who are better informed than we are, since we have praised these same men, and told the people of our province that they are the great public men of our country, they must to-day retain our confidence. Is it because you do not see the question from the same angle that you are going to withdraw your support from them? Are the people of the province of Quebec going to say that their four ministers do no longer enjoy their confidence? They would not be justified in doing so.

In so far as I am concerned, in my capacity as member for the constituency of Hull, I shall vote in favour of the increased appropriations, but I shall oppose any kind of participation in foreign wars.

Mr. H. E. BRUNELLE (Champlain): Some hon. members were perhaps able to come to a quick decision as to our necessities in regard to armaments. I confess that I took considerable time to study the proposition from every angle, and that I found it very embarrassing. But after all there are only two views; there is the imperialist point of view, which means that Canada's welfare is of necessity connected with the welfare of the empire or of the British commonwealth of nations, and there is the Canadian point of view—shall I call it the "home-made"

point of view?—which means that once for all we must cease to look at or think of the empire or the motherland in framing our policies. The latter is my viewpoint. We must regulate our business as an independent nation, free to help or not to help a country which may be at war, and free to arm or to disarm as we see fit. I understand that it is difficult for some Canadians to break the last link which unites Canada to England and to view our situation regardless of what their feelings may be as to the old country. I, however, venture the assertion that of the 245 members or thereabouts of this house there is not one who has not given the most serious thought to the question of national defence. I am sure every hon. member will be sincere when he votes on the question of armament. One may discuss different points of view; one may disagree with another, but one must give others the same credit for sincerity and honesty and patriotism as he expects for himself. The duty of a representative of the people is, after all, to try to find the right path, and to express such views and act in such a way as may be in conformity with his conscience.

If there were only two courses to follow; if I had to vote either for the government or for the Conservative party, I admit I would not hesitate for one moment, for I am certain that the Conservative party, according to past declarations and the past policy of that party, would consider $15,000,000 for rearming our nation to be only small change. In regard to this most important question of armaments I must place what I sincerely believe is the interest of my constituents before any party interest. To make my position clear and to be consistent with myself I shall read what I said in this house on February 4 last:

> I consider that considerations of prudence and foresight demand that Canada, as one of the nations of the world, should have some kind of an army, in the same way that every city needs a police force. We therefore need an army whose size and cost should be measured by the danger that threatens us and our ability to pay. My opinion is that we are not exposed to great danger, and it is a fact that the state of our finances does not permit us to undertake any expenditure that is not absolutely necessary. I therefore object to the provision of armaments to an extent not justified by any immediate danger and by the financial resources of the country. Above all, Mr. Speaker, I object to any participation by Canada in the armament race.

Believing that the war danger in Canada is not pronounced, believing that our means are not abundant enough, and believing that an adequate Canadian defensive or offensive army would be almost an impossibility, I regret I must come to the conclusion that the increase in our military estimates is too large. I am of opinion that we must have some protection, but the difference between the previous year's military estimates and those of this year is too great. The answer to the question whether or not we should spend more for armaments this year is not self-evident. It is not, as the expression goes, lying under one's very nose. There are some people who believe we ought to arm to the extent that we are preparing to arm, and there are other people who do not so believe. After all, we are preparing for future events, and we do not know with any certainty what those future events will be. So there is no certainty upon which one can base his attitude with regard to armaments. The only certain thing is that this year we contemplate spending a great deal more than we spent last year.

It is sometimes hard to do one's duty as one sees it, Mr. Speaker. I find it painful to disagree with the leaders of my party and so many of my Liberal friends. I respect the opinions of those who have different views, and I hope that my opinions will be respected also. I have considered this question just as seriously as a person could consider any question; I have listened to the speeches that have been made in this house; I have listened to the statistics that have been presented and the arguments that have been advanced both for and against the increase in the estimates. As I have already said, I have been forced to make up my mind to vote against the increase in the estimates for our Department of National Defence.

I like people who speak their minds freely. I like people who look a situation in the face and say what they think. It seems to me queer that our hon. friends who form His Majesty's most loyal opposition should be so quiet on this subject. It appears to me that the right hon. leader of the opposition (Mr. Bennett), who thought it expedient to speak for about two hours with regard to the appointment of Mr. John Vallance in connection with rehabilitation work in western Canada, should not have five minutes in which to address us and to demonstrate that an expenditure of $15,000,000 is not very much, that perhaps he would be prepared to go to the extent of $75,000,000 or $100,000,000. Probably if that were done, it might help us to form a better judgment on this issue. I would have expected our very eloquent friend the hon. member for Greenwood (Mr. Massey) to give us an illuminating address on this important question. I should like to have heard the hon. member for Dufferin-Simcoe

(Mr. Rowe), who has the honour of leading the Conservative party in the province of Ontario, give this house the views of the farmers of Ontario. Probably, however, there is some justification for his absence, he is busy, and I have no doubt he is concentrating on a measure which will equitably apportion certain school taxes in the said province. I am a new member of this house; I have not had much experience in politics, but I wonder whether it is possible that political expediency may have something to do with the attitude of the Conservative party on this matter. I am tempted to apply to the Conservative group a word that was applied by the poet La Fontaine to a cat which was hunting in very poor disguise. He said:

Ce bloc enfariné ne me dit rien qui vaille.

The "wait and see" policy which is being followed by the opposition is not very courageous, nor does it seem very frank. I might compare the attitude of the right hon. leader of the opposition with the attitude of a certain accused person who, when asked by the magistrate whether or not he was guilty, replied, "How can I tell whether or not I am guilty until I have heard what the witnesses have to say?"

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. BRUNELLE: Mr. Speaker, the amendment now before the house reads as follows:

This house views with grave concern the startling increases of expenditure proposed by the government for purposes of national armament in contrast with the inadequate provision for the social security of all sections of the Canadian people.

The mover of the amendment (Mr. MacNeil) did not see fit to stop when his idea had been well expressed, and when he had expressed his views against an increase in armaments, in the following terms:

This house views with grave concern the startling increases of expenditure proposed by the government for purposes of national armament.

With that part of the amendment I am in accord, and would have been content to support it. But he complicated matters by connecting with the first part of the amendment another part dealing with social security and social legislation, that sort of socialism which is and has been advocated in and out of this house by members of the Cooperative Commonwealth Federation. It will be noticed that both the mover and the seconder of the amendment are members of that party. I am sure they are sincere, and I am sure they are not communists, but I feel that a great deal of what they say is of a nature to develop communistic ideas in the minds of some, and to encourage others who have graduated in the most advanced form of communism, to go ahead and operate among our people.

My views on social legislation are quite different from those of the Cooperative Commonwealth Federation. I should not want the moneys now allocated to armaments to be employed for the development or realization of the reforms preached by the party I have just named. Besides, this is a vote of want of confidence. It is evident that if the government were overthrown the Conservative party would have to assume office and the direction of the country. The expenses incurred would be very great, when we remember that during that party's last term of office, between 1930 and 1935, they increased the national debt by $920,000,000.

I shall vote against the amendment now before the house, because I find fault with the last part of it. But I shall also vote against the estimates, when they come before the committee of supply, because I do not deem it expedient that the government should spend so much or increase the estimates to such an extent in one year.

Mr. Speaker, I think it is a quality to be frank and outspoken. I say the impression should not go out to the public that I hold the view that the present government, and particularly the ministers from Quebec, are imperialists. I am sure they are not imperialists, any more than I am—and I am not an imperialist. I do not want the impression to go out to the public that the present cabinet, and particularly those members of it who are from Quebec, are in favour of Canada's participation in any imperial or European war, because they are no more in favour of our participating in such wars than I am—and I am not in favour of such participation. They simply wish to protect Canada against attack, and to increase the national defence estimates by $15,000,000 for that purpose. That is their sincere point of view. My humble belief is that the $15,000,000 increase is too much, and that is the reason for my dissent.

While I am on my feet may I fulfil another duty, in the name of justice. I wish to denounce a certain section of the press of the province of Quebec for the falsehoods, misrepresentations and sins of commission and omission which appear regularly in their pages with respect to the attitude of the present

cabinet, particularly the ministers from Quebec, and the Liberal party in general, concerning armaments. A great deal of the press of the province of Quebec is at this time making a determined effort to mislead the people of that province, and to make political capital out of the question of armaments. I am sure our ministers can well defend themselves, but to represent the Minister of Justice (Mr. Lapointe) or other ministers from the province of Quebec as imperialists or as ministers in favour of Canada's participation in European wars is to show malice aforethought and to express a base lie.

May I mention particularly L'Illustration as the best example of how vile, how low and how reptile-like a newspaper may be, in the paid service of unscrupulous and furious political opponents. As a new member I have observed what has been going on in the chamber and, astonishing as the fact may be, day after day I have seen that yellow paper, L'Illustration, on the desk and in the hands of the hon. member for Argenteuil (Sir George Perley) and have seen him and the right hon. leader of the opposition (Mr. Bennett) bend their heads together over that abominable sort of paper, which I call L'Illustration, apparently enjoy the perusal of its articles and make feast of the outrageous and deliberate falsehoods appearing in its pages about the attitude of the ministers from Quebec. Those are falsehoods which are intended to make the people of Quebec lose confidence in the Minister of Justice, in the Minister of Public Works (Mr. Cardin), in the Minister of Pensions and National Health (Mr. Power), and in the Secretary of State (Mr. Rinfret).

May I praise most heartily the independent press for the good work it is doing for its readers, and the impartial newspapers for the service they render their subscribers, but let me loathe and deprecate a paper such as L'Illustration for the bad service it renders to the citizens of the province of Quebec.

I regret that in connection with the issue of armaments and the increase in the estimate for the Department of National Defence I have to disagree with the government, but in doing so I am getting not nearer but much farther away from the Conservative party, which in Canada is known as the imperialist party. It is quite possible that the government is right in its present defence policy and it is also possible the future will prove that the estimates for this year were not excessive. Time will tell. I foresee that the estimates for national defence will be passed by this house and I am sure they will be found to be much too small by the Conservative party, whether or not they admit it. I am proud to declare that the policy of the Liberal party has been proved to be good and profitable to the country in every respect. I believe in that policy, but I disagree as to the amount intended to be spent this year on armaments.

Mr. L. D. TREMBLAY (Dorchester): Mr. Speaker, in rising this evening to oppose the amendment now before the house, I am conscious of fulfilling a serious and imperative duty. Since the beginning of this debate I have listened to the views which have been expressed. I have given much attention to this question of armaments. The amendment reads:

> This house views with grave concern the startling increases of expenditure proposed by the government for purpose of national armament—

I ask the mover of this amendment (Mr. MacNeil) if the house should not also view with concern the conditions facing the whole world at the present time. Every nation is increasing its armaments at a terrific pace. Against whom are they arming? Is my hon. friend in a position to tell me? Does he think what is going on now in Europe is encouraging? Does he view conditions in Spain as a proof of peace? Let us not be satisfied with words. In June, 1914, who ever thought that a European war was impending? The hon. member is a fellow war veteran and I want to assure him that I am not discussing such a momentous problem from a partisan point of view. Will my hon. friend state that in the spring of 1914 there were even a dozen men in Canada who foresaw the war that came in that year? I hate war just as much as do he and my other war comrades. Like all hon. members of this house I do not want my children—I am proud to say that I have eleven—to have to go to war, and I shall not betray them and my fellow citizens and force them to undergo the terrible experiences which the men of my generation had to go through.

Surely the mover of this amendment realizes that the world hardly perceives where it is going and does not realize what may be in store for it. I am astounded at some of the statements made by hon. members. They say that Canada either will be threatened with war, or will not. If she is threatened with war, some hon. members say that either England or the United States will defend us and we need not worry. If she is not threatened with war, some hon. members say, "Why should we arm?" I wish to take up the first alternative, namely, that in case of war England or the United States would defend us. May I be permitted to quote a

paragraph from an article written by Doctor Jules Dorion, editor of L'Action Catholique, on January 14 last. This is what he said:

Of course some people are of the opinion that as we can do but so little it would be unwise to spend money in armament and we should be satisfied with leaning on others. Well let us not forget the proverb that says: Help yourself and God will help you. The weakest among men is in duty bound to do his share before relying on his neighbours, and the same thing may be said of states. Their limited area and their small population do not prevent Belgium, The Netherlands, Switzerland, Denmark and other Scandinavian states from having their own army, kept on the best possible footing, and their own navy, when necessary. Belgium has just reorganized her army and made it more efficient, although that country is well aware of the fact that France and England are greatly interested in having her territorial integrity duly respected. Belgium is a living example of a small country being ransacked, notwithstanding the sanctity of treaties and the sympathetic concern of powerful neighbours.

On the other side, accepting protection from one who is not bound to afford it cannot go on very long without servitude. We do not feel inclined to barter our provincial status in almost a sovereign dominion for that of an ordinary state in the neighbouring country.

Not only do I make those words my own, but I think I am sufficiently acquainted with the population of the constituency of Dorchester, which it is my privilege to represent, to say that the people of Dorchester, whether of French, English, Irish or Scotch origin, do not feel inclined to barter their provincial status in an almost sovereign dominion for that of an ordinary state in a neighbouring country. I wish I could say with the same righteous candour which other hon. members have shown, that we need only fold our arms, urge peace and do nothing to provoke another country, in order to ensure the perpetuity of peace in Canada. Let me ask these pacifists if little Belgium provoked anybody in 1914. Did she do anything to justify invasion of her territory? Certainly not. History will show future generations, just as the actual facts have proved to us, that a country can be not only invaded but ransacked in spite of its peaceful feelings and strict neutrality. Against whom do we arm? This is what the hon. member for Bellechasse (Mr. Boulanger) said last Tuesday evening:

We are arming not against somebody in particular, but rather against anybody. It is impossible to foresee what we shall do with this army that we wish to make more efficient and more mobile. What we can say to our fellow-citizens is that we want an army which is really useful and which we can use in case of emergency. Against whom do we arm? Many of us have an accident insurance policy for which we have been paying premiums since 15, 20, 25 or 30 years. We have not yet been hit by a motor car, and still we keep on paying the premiums. It is impossible to say on which date, at which time and by which car we may be hit some day.

Sir, we are not arming against anybody, but we want everybody to know that we are ready to defend our own country. With regard to danger from the outside, nobody in this house can give us the assurance that we are immune.

Again, the pacifists say that everything is fine within our borders and that we do not need any protection on that account. But is that statement in conformity with the facts? The hon. member for Beauharnois-Laprairie (Mr. Raymond), who spoke with such common sense and judgment last Monday evening, provided us with ample material for reflection on the menace from within. He said:

Quite recently, speaking about the strike in the General Motors plants, Father Coughlin pointed out the influence of communism in that strike, and he brought to the attention of the authorities, before it might be too late, the threat of a revolution. During that strike the civil and judicial authorities were flouted.

He also pointed out the fact that Canadians have left their country to enlist in the Spanish army. Is it not true, Mr. Speaker, that the press daily brings to light the fact that we are living in disquieting times? Do the events in Spain not cause grave concern to the hon. member for Vancouver North? Does he consider as a purely local incident the shocking trials which her people are going through? Like myself, I am sure he reads the Canadian Veteran, and has he not read in its January issue the following editorial?

With German and Italian "volunteers" forming the major strength of the forces under command of rebel General Franco, plus the prospective addition of several thousand Japanese, on one side; and a large so-called international force aiding the Spanish government on the other side, the war in Spain long since has lost its purely domestic significance. If there had been no outside interference prior to and at the outset, the uprising would have found its own solution in short order for neither faction had the materials with which to wage war for long. But Il Duce saw in Franco's bid for dictatorship an opportunity of making the Mediterranean a truly Italian sea; the Fuehrer envisioned a cordon of nations hemming in France, plus an opportunity of regaining a foothold in Africa. Stalin was aroused by the dual threat to this first real prospect of extending the World International movement beyond Russia.

So Spain has become the cockpit of a little "Great War," her towns and cities ravaged, her people starved and murdered, her treasures destroyed, her social and economic life wholly disrupted. Whatever eventuates, Spain can only be a pliant tool in the hands of foreign schemers for years to come, an unwilling threat to the peace of the world.

Right here in Canada, Mr. Speaker, we find disciples of these two political schools who at present have Spain as their battle-ground, but whose object it is to have the whole world as their sphere of action.

I shall not pass judgment on the systems of government which other nations have thought fit to adopt, but I am emphatically opposed to these nations taking it upon themselves to make us benefit by their experiments. I submit that the forms of government which may have brought order out of chaos in Russia, in Italy or in Germany will never be accepted by the free people of my country, and the propagandists who are paid by the expounders of these doctrines must know that the government of Canada is ready to thwart them by force, should the occasion arise.

Now what about communism? Canada is not exempt in this regard. Only a short time ago I was reading a pamphlet published recently by Les Editions de l'Université d'Ottawa, in which Father Sauvé, O.M.I., said:

> Communism, in Canada, possesses now an organization whose ramifications extend to all sections of the dominion. Every year, the communists hold anti-capitalistic meetings in several places: at Montreal, in Toronto, in Winnipeg, in Vancouver. . . .
>
> Lenin's revolutionary tree has rooted in Russia, but its branches are already extending to all parts of the world. . . .
>
> Soon, if we do not take care, they will bring about a furious storm. Indeed the hour is momentous and this problem must be faced from its real aspect. . . .
>
> Is it not His Eminence Cardinal Villeneuve who said: "Communism in Canada is not merely hypothetical, it has become a reality. It is ablaze in our midst. To encompass it is a matter of urgency."

In his recent pamphlet Mr. René Bergeron, of Montreal, also tells us that "communism is a force and that this force is a menace to Canada."

With such unequivocal opinions before us, I cannot act like the ostrich, and I shall certainly not deal in any haphazard way with so vital a question as that of national defence. It is true that I am not an imperialist or a jingo, and I will say bluntly that I am entirely and emphatically opposed to Canada's participation in extra-territorial wars. But I want my country to be protected from any invasion, no matter where it comes from, and I shall vote against the motion now before the house. I believe, in so declaring, I am perfectly in accord with my leaders.

Like the hon. member for Bellechasse, whom I like very much, I am only a countryman, and if I reflect the opinion of the "habitant" from down home, I want to impress upon the house that I have no apology to make. On the contrary I am proud to speak for the "habitant." On such important matters as those which are now being considered by this house, I do not claim to be an expert, but I believe in my leaders, and I am happy to tell them that I accepted the invitation to be the candidate of the right hon. gentleman (Mr. Mackenzie King) who is now at the head of the government because I placed all my confidence in him and because I admired above all his true Canadian spirit. During the election campaign, on every platform in my constituency and elsewhere I delivered addresses I expressed approval of the policy that he was expounding, and my fellow-citizens elected me to this house. I wish to state here that I believe in my leaders and that I am satisfied with the statements of policy which have been made in the house.

My province, Mr. Speaker, stands second to none in the matter of patriotism. History is there to prove this. We are essentially Canadians and it is our desire to remain such. We do not want Canada to embark upon costly overseas ventures, but, following the example of our forefathers, we are ready to defend our land. The Prime Minister, the Minister of Justice (Mr. Lapointe), whom we respect in Quebec because, sir, he does credit to our people in the government of our country and because he represents the best of our race, and the Minister of National Defence (Mr. Mackenzie)—all have declared what I could sum up by quoting what the Minister of National Defence said on Monday evening in this house:

> There is no idea whatever of sending a single Canadian soldier overseas in any expeditionary force, and there is not a single cent providing for that in the estimates this house will be asked to vote.

Such emphatic statements, made by men whom we trust, give us much satisfaction.

In conclusion, may I say that Canada, in the critical hours through which we are passing, should be proud to have at the head of her government our present Prime Minister. An imperial conference will be held in London in a few weeks. Those who will represent the government of their country at the conference will bear a heavy responsibility. It is obvious that the defence issue will constitute one of the gravest problems the conference will have to deal with, and our delegates will have the strict duty of representing Canadian sentiment. I firmly believe they will do so.

May I be permitted to read what the Evening Citizen of February 15 had to say with regard to our principal delegates to the next conference:

Canada could be represented by no abler minister at the conference table than Premier Mackenzie King. With a lifetime of experience in round table conferences, affecting industrial and social conditions, as well as in the international field of politics, he is a natural leader along paths of conciliation. The spirit of Canada, the spirit of friendly cooperation, readiness to meet the other man half-way as the most hopeful way to make an enduring agreement, is reflected in every substantial achievement of the prime minister's long political career. . . .

It should be helpful also to bear in mind that there is little danger of this government being led away along any path of imperial adventure. With Messrs. Mackenzie King and Ernest Lapointe sitting together, as they doubtless will, at the imperial conference, no zealous nationalist need have any fear about the safeguarding of the national interest of Canada. . . .

I am fully in accord with the sentiments expressed in this editorial.

Mr. Speaker, I shall vote against the amendment.

(Translation): I would not like to resume my seat without saying a few words, not in my maternal tongue, because my mother was English, but in my father's language, which is also that of the majority of my constituents. I have followed very attentively the debate on the amendment, which I consider as most important and I wanted to express, in the language of the majority of the members of this house, the attitude I intended taking.

Mr. Speaker, it is certainly not without due consideration that I have taken the stand I am taking now. I have given this question much thought and study and I have tried to understand this matter of increase in the armaments estimates.

I think that I am absolutely justified, so far as I can judge personally, to rely on the leaders of my party. But a few months ago, I was the candidate of the party which, today, is responsible for the administration of the country. I then had faith in them and I was sincere, and now that I have to face a problem the details of which I cannot understand—I admit it very candidly and very honestly—it seems to me that, in conscience, I have but just one thing to do: to leave the matter to those in whom I have put my trust.

Since I have been elected, from the day I have had the honour of representing in this house 27,000 constituents of the county of Dorchester, I have found no reason to withdraw the trust which I placed in my leaders in October, 1935.

Mr. Speaker, is there in the Canadian confederation any province that should trust more the Liberal party's leader than the province of Quebec?

We have experienced some sad days through Canada's political history, and I believe that we should not forget them.

We have been attacked, but I well remember that it is the leader of our party who defended us, and fought against those who were attacking us. It was he who stood up in our defence at the very door of Toronto. And we would lose faith in our government? Personally, I think that we would be wrong, and we will surely not do it.

The province of Quebec expects its representatives to declare in this house that we, from Quebec, refuse to participate in military operations outside our own territory. Nobody has said otherwise since the beginning of this debate, and never, I believe, through all the Canadian history, have we seen ministers sitting on your right, Mr. Speaker, and speaking as members of the government, being as positive and as sincere as the members of the present government.

Mr. Speaker, I certainly will continue—and I am sure that the province of Quebec will be satisfied, a least I know that the constituents of the county of Dorchester will be—to vote confidence in the King government. I am sure that the province of Quebec as well as its members in this house, realize that nowadays we are happy—and we should thank Providence for it—to have such an eminent man at the head of the government of this country.

Mr. NORMAN JAQUES (Wetaskiwin): I desire to say but a few words. It seems to me that the point of the amendment has been largely missed. The amendment reads:

> This house views with grave concern the startling increases of expenditure proposed by the government for purposes of national armament in contrast with the inadequate provision for the social security of all sections of the Canadian people.

I am one who believes that the best guarantee for external security is internal security. At present very few Canadians enjoy security. I believe that the best, and I might say the only real contribution which Canada can make to the peace of the world, is to bring about a condition of things such that the Canadian people may enjoy real security in Canada. If we can do that—and we are among the very few nations, perhaps we are the only nation, that can do it without fear of outside interference, by reason of our geographical position—if we can do that, I feel that we shall make by far the best contribution to

the peace of the world. In connection with this I should like to read an extract from a pamphlet written by Mr. Vincent C. Vickers, late director of the Bank of England. This pamphlet contains a petition to His Majesty the King concerning the abolition of poverty, and the removal of the main causes of economic warfare between nations. I am going to read not the petition, but an extract from Mr. Vickers' reasons for signing it:

I personally need no immediate change; I am one of those who can afford to wait; for me things seem to be on the upgrade. But I have signed it because there are many hundreds of thousands of men, women and children in this country—loyal subjects of the king—to whom waiting is an inhuman tragedy, and a national disgrace with which this country should be branded no longer.

He was speaking of England, of course, but I submit that the condition of hundreds of thousands of Canadians at this moment is a national disgrace. Then he goes on to say:

I have signed this petition, also, because over the last ten years I have known the man in the street and the under dog, and from them I have learnt something the existence of which the city of London does not even suspect and cannot therefore appreciate. I hold views which the London press would not publish.

I had occasion the other day to mention the fact that it was impossible to get certain views published in the British press, and this is a confirmation of that statement. The press gave me a great deal of notice in connection with that statement; I wonder whether they will give me the same notice on this. But possibly they may come to the conclusion that silence is sometimes golden. Mr. Vickers goes on to say:

Can it be denied that a system which is based on and exists solely by the creation and enforcement of debt, much of which can never be extinguished, is the source of poverty, discontent and discord at home and abroad, and constitutes a permanent incentive to war.

And finally he says:

Rightly or wrongly the world no longer has confidence in the monetary system. The repeated failures of finance and the collapse of the gold standard system in each and every emergency has undermined the faith of the public in the honesty of its money. The known solidity of our banks and the proved integrity of our bankers have failed to stem the growing mistrust of the currency and credit system which banks and bankers uphold and operate. The money industry should consider their own position. Were they to do so they would—in my very humble opinion they must—arrive at the conclusion that the future welfare of the money industry as it is at present constituted depends entirely upon its own power to crush out the human impulse to go forward and upon its ability to override the will of the people, and so to govern the world.

[Mr. Jaques.]

That is the opinion of a former director of the Bank of England, who bears the name of Vickers, a name not unknown in the business of making munitions.

As I said before, we have no security. Even if we have these one hundred fast aeroplanes, we have no guarantee that we shall be permitted to use them or to practise with them. It is not within the province of this house even to say that. We have no guarantee that even if we get these armaments we can practise with them in time of peace. And certainly we have no economic security. It is because I see no reason to believe, and I have heard nothing in this house which gives me any reason to believe, that the government have any idea of trying to do anything to overcome this evergrowing power of finance, that I intend to vote for the amendment.

Mr. J. A. VERVILLE (Lotbinière) (Translation): Mr. Speaker, I rise merely for the purpose of explaining the vote I shall be called upon to give in a few hours. The amendment before the house denounces the increases in the estimates of the Department of National Defence; but it implies as well direct condemnation of the general, social and economic policies of the government.

A vote for the amendment is a vote of non confidence in the present administration—to whose advantage? To the advantage of our Conservative friends whose political program the people of this country repudiated in 1935. Surely such a gesture would be ill-advised on our part. We have the other alternative of throwing ourselves into the arms of our friends of the C.C.F., the authors of the amendment. For my part, I may tell you right now, Mr. Speaker, that I am not ready for any such adventure. The government in power at the present time enjoys the full confidence of the citizens of this country and I personally have no hesitation in declaring my complete faith in the present Liberal policy and in our leaders. This trust is built on the glorious past of the Liberal party, the sincerity of the chieftains of that party, and the excellent results of Liberal policy. The people are contented. Confidence returned once more when the present government came into power and this confidence is felt throughout all the branches of our economic activity. The people have begun to get their breath; and I am wondering why we do not let them breathe in peace for a few more years.

I repeat, Mr. Speaker, that the application of the present Liberal government policies is deserving of our utmost trust; and I unhesi-

tatingly state my approval of these policies. As a proof of my feeling towards my leaders I shall vote against the motion which condemns them.

This does not mean, however, that I favour an increase in the estimates of the Department of National Defence, I am entirely and unqualifiedly opposed to the suggested increase. I have always been an opponent of armaments, and I believe, at this hour, I would be remiss in my duty towards myself and towards my trusting constituents, were I to change my attitude. I feel that what I always fought against when it was proposed by our opponents, from 1911 to 1925, is not more acceptable now that the party, to which I am proud to belong, has been elected to office. It is all one to me that this increased military expenditure will be for defensive purposes in Canada alone, as we were assured by the right hon. the Prime Minister (Mr. Mackenzie King), the hon. Minister of National Defence (Mr. Mackenzie), the hon. Minister of Justice (Mr. Lapointe) and other leaders. I do not doubt their word; nor do I doubt their sincerity.

It is simply that, as a matter of principle, I do not see this thing in the same light as they do. I am opposed to armaments in any shape or form, because I am convinced—I may be wrong, I admit—that this expenditure is useless and cannot give us the protection that is expected, apparently. Moreover, the financial state of the country is such that we cannot afford to spend these sums to fight enemies who may never materialize. Finally, we do not know how far this movement will carry us in the years to come.

Economy is the watchword of the day: the government itself preaches economy. When we ask for certain grants for our constituencies we are told that the estimates have had to be pared down for reasons of economy; for instance, this year we are voting still less money for agriculture. It seems to me, Mr. Speaker, that we have no right to increase our military expenditure at a time when, for alleged reasons of economy, we are reducing the estimates of the Department of Agriculture, which should receive a larger share of public funds, seeing that the farming industry is sorely in need of money.

One thing puzzles me, perhaps without reason, but at any rate allow me to say frankly what is in my mind. After going through the estimates and listening to the explanations given us so far I find it quite obvious that the money we are asked to vote will for the most part, be spent on warships and on aeroplanes. These ships and 'planes will be bought in England. To me this appears to be an indirect contribution to the British armament program. Why not keep this money in Canada, to give employment to our own shipyards, employ Canadian labour and lighten the burden of direct relief? I would even be willing, if I were convinced of the necessity for so doing, to vote for a larger increase in our military estimates, on conditions that the money were to be spent in Canada, for the benefit of our fellow citizens who ask for bread and who want to work for it.

I cannot for one instant doubt the word of the leaders of the Liberal party when they assure us that the money voted will be spent solely for the defence of Canada; but I cannot help the feeling and, so to say, the unshakable conviction, that in voting for these estimates we are being drawn into the military armaments movement, with the mother country and for her benefit.

And I add this: Can those who are defending us to-day, who are at the head of the national government, and are ever ready to stand guard over Canadian interests, give us the assurance that they will be here very long? I certainly hope they will be; but certainty in such matters is rather out of the question. And after they are gone, will those who take their place be in a position to give us such guarantees? There is a big question mark there, Mr. Speaker. Once the precedent has been established it can be appealed to, and then willy nilly we will have to bow to whatever fate is meted out to us, as a consequence of the responsibilities we are taking upon ourselves to-day.

Mr. Speaker, I may be wrong; and I hope with all my heart that the government has chosen the right road, that the future will justify the government's decision. I express this hope in all sincerity. But, once again, I cannot follow my party in this matter. I am opposed to any increase of military estimates, even for purely Canadian defence purposes, simply because I believe that such expenditure is useless, because nothing appears to justify any such increase, because the organization of our national defence has been sufficient up till now; and also because I see in this increase the first step in the realization of an armaments plan that some day, whether we wish it or not, will be used for other purposes than those proclaimed to-day.

Mr. Speaker, I believe that in acting as I do I am faithful to the trust of those who elected me to represent them here. I know that if they were here their attitude on this question would be the same as my own. Since they cannot all be here themselves they have sent me here as their spokesman. Hence my

duty to express their opinions and to respect their convictions. By good fortune it so happens that their convictions and mine are identical both against the increase in miltary estimates and for the continuation in office of the present government.

Mr. ARMAND SYLVESTRE (Lake St. John-Roberval) (Translation): Mr. Speaker, I cannot let pass this debate on the armaments question which, to my mind, is of capital interest to Canada not only for the present but for the future, without explaining clearly my own position and the course I intend to follow.

I must say first of all that I am, have always been, and will always be, a Liberal. As I see it, we may at times have different opinions on matters of public concern; but for all that we are not rebels, we are not insurgents, we have not lost faith in those whom the voters have put at the head of the nation's affairs.

So, with regard to the motion of non-confidence, as it is worded, I am entirely opposed to it and I shall vote against it because it condemns the general policy of the Liberal party.

I hold that Liberal policy alone has reestablished our equilibrium, that Liberal policy alone has brought renewed confidence to the country, and set up an orderly administration in the place of the disorder that was rife under our Conservative predecessors.

Mr. Speaker, since 1919 there have been eleven elections held in my province: six provincial and five federal. I have always taken an active part in each one of them. I have even had the honour of being a candidate on four occasions; and up to the present time I am here solely as the representative of my constituents. Since I have always been in the thick of the fight, I know that my electors have put their trust in me because I have always fought with all my might against militarism and imperialism, in any and every shape or form. Hence I do not believe I would be justified in changing my attitude this evening.

An hon. MEMBER: Hear, hear.

Mr. SYLVESTRE: That is why, with the deep conviction acquired through my experience in public life, I find myself under the necessity of stating that I am opposed to this sudden and unforeseen increase in the military forces of this country. In the light of my own experience, and what knowledge I have gleaned from books on the history of all wars, I am convinced that such a policy is chiefly to the advantage of those who produce and supply armaments and munitions, people who are guided by self-interest alone, heartless, pitiless men who strive merely to increase their fortunes; and who, on occasion, wear the mask of patriotism and unhesitatingly lead their country to ruin so that they may garner further riches. We saw frequent examples of this, Mr. Speaker, during the last war which laid waste the entire earth.

That is the reason for my objection to armaments; and I believe that, on this point, my constituents will back me up.

I notice, however, that a large amount is being voted for the development of aviation, both civil and military, in our country. Aviation is a new science which exerts a powerful attraction on youth; unfortunately I must state, without hesitation, that so far our people have not received the fair treatment they were entitled to. I have tried myself to find a place in aviation for young men of talent who seemed to me fully qualified for that calling. The door was closed in their faces simply because of their insufficient knowledge of English. I hope that this time Quebec will get its fair share; that the necessary steps will be taken to found flying schools in our province, with competent instructors who speak and understand the French tongue. Then our young men who are desirous of entering this new career will be able to obtain the necessary knowledge and training to qualify. It seems to me that if a mechanic is competent, if a man is a good pilot, the language he speaks, whether French, English or any other, is of secondary importance; in Quebec our young men should be in a position to learn a trade which should be taught them in their mother tongue.

While I am on that point let me say that after an absence of five years I notice, on coming back to Ottawa, that during the five years of Tory rule there has been built up in Ottawa a powerful hierarchy, which includes the heads of a great many departmental branches, men who are not in sympathy with us and who connive with a majority on the civil service commission to deprive our people of their due rights. It is my duty to raise my voice in protest, so that the dissatisfaction that is evident all around us will not spread further still and the day come when it will be too late to correct the evils that exist to-day.

So, Mr. Speaker, for the reasons I have given I intend to vote against the motion of non-confidence. Like the hon. member who spoke before me, and like all the voters in my riding I have the fullest and most

complete confidence in our leaders; and if I cannot see eye to eye with them on a question which is purely a matter of administration and armaments, I remain deeply attached to their leadership. If I vote to-day against an increase in the estimates, and the future should prove me wrong, I shall be the first to admit it. Like the gentleman who preceded me, I hope the government will prove to be right, and I shall then make due apology.

Mr. WILFRID LACROIX (Quebec-Montmorency) (Translation): Mr. Speaker, I wrote the following letter to the right hon. the Prime Minister (Mr. Mackenzie King) on December 31, 1936:

As a member of parliament, I take the liberty of making certain suggestions to you respecting military expenditures which, according to rumours, will show a substantial increase in the coming estimates.

I believe the province of Quebec would frown on this increase which would be interpreted as a direction from London.

Do you not think that our policy should aim at avoiding all participation in European wars, even if England were compelled to intervene in a conflict by reason of treaties or agreements that bind or may bind her to France and Belgium?

In order to avoid all misunderstanding, has the hour not arrived when we should hold a permanent seat in the Pan-American Conference? This gesture would indicate the part we mean to play in European conflicts in which England might be interested.

Should Canada not consider that the time has arrived when it should sever its connection with the League of Nations and study at the same time its status in the British Commonwealth. The fact that our King is the King of England should not imply that we must join in a war on the European or Asiatic continent or in any other quarter of the globe.

It is evident that if Canada clearly defines by legislative enactment its intention not to interfere in any war of the empire, such a course would free us, in the event of European or Asiatic difficulties, from the possibility of attack and would prevent all military expenditures both useless and disastrous for a young country such as ours.

I make these observations to you in a spirit of humility, as a Canadian who loves his country and as a Liberal trustful in the political wisdom of his party.

Please accept, Mr. Prime Minister, the expression of my deepest regards.

And the right hon. the Prime Minister wrote me the following reply on January 19, 1937:

I read with much interest your letter of December 31 respecting military expenditures and Canada's foreign policy.

With respect to expenditures having to do with defence, any expenditure contemplated and decided upon will as in the past relate to the defence of Canada. We consider that whatever action Canada will take in this regard is a matter to be determined by the Canadian government and parliament, and our defence estimates were not discussed with London on this occasion any more than in any other circumstance.

The policy of our government is to strive by all possible means to avoid war. There exists a wide difference of opinion in Canada and in other countries as to the best way of achieving that end. As regards the League of Nations, I do not think it would be advisable to withdraw from that body which if properly developed can constitute a powerful agency for conciliation and peace throughout the world. I would prefer seeking the safeguards against the danger which you see in our relations with the League of Nations by calling it into play as an instrument of conciliation and study rather than as an instrument for the application of economic or military sanctions. I am pleased to forward you herewith a copy of the speech I delivered at Geneva during the last assembly; I believe it will clearly indicate to you the line of conduct suggested on subjects pertaining to the league and on other matters.

The matter of relationships to be established with the Pan-American Conference is an important question. We have given the matter attention but it involves more than one factor which must be taken into account.

I am pleased to know that you interest yourself in these important questions and I greatly value the clarity with which you have outlined to me the views you hold on the difficult situation that confronts us.

I do not want to question the words of the right hon. Prime Minister when he tells us:

We consider that whatever action Canada will take in this regard is a matter to be determined by the Canadian government and parliament.

I have faith in him and in his ministers, but I ask myself if the events that may occur following a declaration of war against the United Kingdom by any nation, will not be so swiftly moving in character that they will control government action in such a manner that parliament will find itself face to face with an accomplished fact and will be merely called upon to ratify an existing policy.

Moreover, were we not given a concrete example recently bearing out what I have just said, when, on the day following the abdication of King Edward the Eighth, the government by a mere order in council recognized his successor and set in motion the mechanism of the Statute of Westminster in such a manner that when parliament convened we had but one thing to do: approve what had been done.

As a matter of fact, I readily bow to the decision taken and approve whole-heartedly the order in council that gave us as successor to Edward the Eighth His Majesty George the Sixth; yet, when I analyse the events that followed one another at the time, I recall the words of Georges Sorel in a conversation captioned "Democracy is compelled to act

like other forms of government," and of whom Mussolini said at the end of 1934: "I owe what I am to Georges Sorel."

That which concerns the internal affairs of a country is much less visible than that which relates to external affairs. In the latter case, the part ministers play greatly resembles, even in a democracy, that of an absolute sovereign. Once a conversation is started with the representatives of a foreign power, no obstacle can paralyse a responsible minister. A diplomatic conversation is a sort of battle in which the most unforeseen factors suddenly crop up, and a minister who would telephone every ten minutes to the Speaker of a house before answering his colleagues would be quickly put out of action.

With respect to the management of affairs, one must resign oneself to accept that those who are charged with same enjoy freedom of movement, lacking which they cannot do anything. The error of democracies consists in wanting to control government in all its acts, but control implies acknowledgment of an act after that act has taken place. If harm has been done one consoles oneself by the dismissal of a minister, but it is a poor consolation and the country derives no effective reparation from it.

What was known of yore as "the prince's secret" exists nowadays with all the added complications and niceties of modern international politics; and, admitting, for a moment, that there is a state without "prince's secrets," the ministers of that state will have to deal with other nations which do have "prince's secrets." As a consequence, secret diplomacy will hold sway and the ministers of that state will have to bear it without being able to do anything whatever about it. Hence, they will be compelled, if they wish to serve their country profitably, to subscribe to views of which the parliamentarian, their judge, and the voter who elected their judge, cannot form the least idea.

The political conditions of a nation, its industrial and commercial interests, its fiscal revenues, the obligations of its neighbourhoods, the maintenance of its influence, are so many skeins that unwind into extremely complicated ramifications which the gentleman reading his newspaper in the tram-car could not possibly suspect by the widest stretch of the imagination.

Hence, Mr. Speaker, there is not the slightest shadow of doubt that events which will arise will control the decision of the ministry, a decision compelling rapid action with respect to the interests of what is called to-day the Commonwealth of British Nations; but that is probably where the Canadian people will not find themselves in agreement with the men then in power, and one must not, as I see it, overlook any security factor as regards our eventual non-participation in wars wherein the interest of the United Kingdom, alone, may be involved.

We are told that the League of Nations is an agency for peace; I have grave doubts as to that, for, in the event of a war in which the League of Nations would declare Japan the aggressor country, the economic sanction machinery of the League of Nations would function immediately in favour of Russia; and as for us, members of the league, we would be compelled, as in the case of Ethiopia, to give effect to the covenants we signed as a member of the league: I say the League of Nations would compel us to apply economic sanctions to Japan. There is not a shadow of doubt that the adoption by our country of such economic sanctions with respect to Japan would be considered by that nation an act that would justify it in invading our country; and we would be face to face with the distressing situation of a country such as ours which holds communism in horror, aligning itself with a nation whose ideal is absolutely contrary to that of our Canadian people; for, in this country, our history, our traditions, our very existence rest on a belief that is the corner-stone of any society that aims to live and respect itself, that is to say, belief in God. Now, Russian communism involves the complete negation of God, the basis of our social structure. No, Mr. Speaker, I do not believe that the League of Nations as constituted, is an instrument for peace. I look upon Geneva, its magnificient lake, the luxuriant verdure surrounding the palace of the League of Nations simply as a place well-suited for politicians who are holiday-bent.

We are told that should we vote the increased military estimates which are presently submitted to our approval, such sums will never be utilized beyond our country. Now, if I turn to the Canada Militia Act, I find that Section 64 reads in part as follows:

> The Governor in Council may place the militia or any part thereof in active service anywhere in Canada and also beyond Canada for the defence thereof, at any time when it appears advisable so to do by reason of emergency.

Who tells us that the government then holding office will not apply that clause of the Militia Act which empowers the cabinet, by a simple order in council, to use our military organization beyond Canada?

No, Mr. Speaker, I think there is only one logical course for us to follow: that is to occupy as soon as possible a seat at the Pan-American Conference to which, as a matter of fact, we were invited by that good friend of ours and lover of peace, Mr. Franklin Roosevelt. We would thus be proclaiming to all nations our desire to remain what we are actually, an essentially American nation. As a result, with the immense resources that are at our disposal, we would find ourselves free to devote, in a spirit of peace, all our efforts to the development of our country, instead of burdening our budget with a fairly

heavy outlay for military purposes. We have not yet emerged from the crisis borne of the war and our commitments resulting from our participation in the conflict of 1914-1918 now exceed $4,600,000,000.

I do not approve the amendment proposed by my hon. colleague from Vancouver North (Mr. MacNeil), because part of it censures the government concerning its social legislation; and I do not hesitate to state that in that field the country never had a man with a better understanding of the interests of the labour class than my hon. colleague the Minister of Labour (Mr. Rogers) whose direct action in connection with the labour legislation adopted by this house has proven extremely helpful in the realm of relations between employers and employees. On the other hand, I wish to state that I shall vote against the increased military appropriations because I am convinced our country owes it to itself to direct its efforts into other channels of greater benefit to the Canadian community to which we have the honour to belong.

Mr. W. F. KUHL (Jasper-Edson): Mr. Speaker, since a great deal has already been said on the subject of war and peace, I desire to say only sufficient to indicate my stand on the amendment. War is a disease, though not an incurable one. It is not a cause; it is an effect. Disease cannot be cured without removing the cause; neither can war be eliminated without removing the cause.

Minor causes of war have been discussed a great deal in the house, but in my opinion the major cause has not. At page 103 of the evidence taken before the agriculture committee of the legislature of Alberta, Major Douglas states what he believes to be the major cause of crime. I agree with him when he says:

> There is no question that at the present time practically ninety per cent of the crime in the world is directly due to the financial system.

In my opinion war is the greatest crime. It is nothing less than legalized murder.

What the world has yet to realize is that war arises not because of the natural antipathy of races but because of a defective money system in each country. Nothing but a change in the financial system can save this or any other country from destruction. In my opinion Canada has done nothing by way of eliminating the major cause of war. This defective money system makes it necessary each year that more and more of each nation's products shall be shipped abroad and sold in foreign markets. The only reason most of these products cannot be bought at home is that people have not enough money with which to buy them. Since all nations have become highly industrialized, the world has become full of sellers and empty of buyers.

The world of to-day is just like a great stock-market. Brokers representing Canada, the United States, England, France, Russia, Germany and other countries are clamouring for buyers, and failing to find them. But unlike brokers in ordinary industrial life, nations can do things to shut out undesirable sellers. They can enact tariffs, and impose embargoes, quotas and trade restrictions of various kinds. When this is done, national antipathy, mutual distrust, jealousy of favoured nations and, finally, suspicions arise. Presently the war munitions racketeer, who knows no country and who plies his abominable trade in every country, appears upon the scene. He thrives upon distrust and suspicion, and fosters international hatred. In recent years his fiendish trade has been carried on with all the cunning efficiency of the devil himself.

I should like to quote part of an article written by Senator Gerald P. Nye of North Dakota, chairman of the senate munitions lobby investigating committee, to indicate how the munitions makers ply their nefarious schemes. The senator says this:

> An investigation of the arms question without treading upon official and semi-official toes would be no investigation at all. Of necessity we have had to deal with the secret courses pursued by the manufacturers and sellers of instruments of war. For years these makers and their salesmen have been weaving their way into governments, deceiving, frightening, corrupting, as their welfare and profit dictated.
>
> Because of the manner in which they have woven themselves into the very fabric of governments, the industry has won a status of sacredness and secrecy which has enlarged its opportunity to thrive in a way to return great profit to its owners. Rackets thrive best when nourished by dark secrecy, and when governments lend hands to the racketeers the sky is the limit as far as the flow of profits and blood money is concerned.
>
> I repeat that there is no racket to compare with that of the sale of munitions of war. Our government has fought, at great cost, the beer, liquor, white slave, dope and kidnap rackets.
>
> The munitions racket, one whose victims is all civilization, has governments as its partners, unconsciously on the part of some of the governments perhaps. Doubly difficult, then, becomes the task of destroying or controlling the racket, a racket wearing the cloak of respectability by reason of its association with and in governments.
>
> That such a partnership exists is one of the clear conclusions growing out of this present investigation. It must therefore be apparent that nothing short of wide and sweeping disclosures of the truth will ever waken the world to a degree that will win reform to check the mad race now on toward more war.

So it is because of a deficiency of purchasing power and the existence of a defective financial system in every country of the world to-day that we find ourselves on the brink of another universal catastrophe. For a few moments I should like to state what I believe Canada could do to promote world peace and possibly to avert a world catastrophe. Canada, as well as every other nation, is powerless to cope with her problems, whether national or international, so long as private individuals are permitted to exercise the crown's prerogative in creating and issuing the medium of exchange, whether it be in a tangible or an intangible form. President Garfield once said that whoever controls the money of a nation, controls that nation. In 1790 Mayer Rothschild said, "Permit me to issue and control the money of a nation and I care not who makes its laws."

"We must save democracy," is a sentiment which is being reiterated constantly in this chamber. I want to ask what is this democracy we are so anxious to save? In answer to that, all I have to say is that if what we have in Canada to-day is democracy, then it is not worth saving. The medium of exchange in this country is issued and controlled by private individuals. If the statements of President Garfield and Mayer Rothschild are true, then democracy in this country is nothing but a shell, empty and meaningless. Of what benefit is it to the electors of Canada to elect a parliament, if that parliament is absolutely powerless to act? So long as the control of the medium of exchange is in the hands of the bankers, just so long will parliament have absolutely nothing to say about the welfare and destiny of the Canadian people. None other than a former chancellor of the British Exchequer, the Right Hon. Reginald McKenna, speaking of the bankers, made this statement:

> They control the credit of the nation, direct the policy of governments, and hold in the hollow of their hands the destiny of the people.

If that is the case in Canada, then we, the elected representatives of the people, are just wasting our time. Lincoln defined democracy as "government of the people, by the people, for the people." What I believe we have in Canada and in every country in the world to-day is government of the bankers, by the bankers, for the bankers. Fear and alarm have been expressed at the possibility of Canada drifting into a dictatorship, either fascist or communist. In my opinion we are suffering under the worst type of dictatorship right at this present time, a dictatorship of bankers. Members of this house are admitting that

fact almost every time they speak. It makes no difference what problem is discussed in this chamber, the discussion always ends with the confession that we could solve our problems physically, but for financial reasons, we cannot.

We have enough men, materials and machinery to build a highway system second to none, but we have no money. We have enough men, materials and machines to create the world's most beautiful system of parks, but we have no money. We have the physical facilities to establish an educational system second to none, but we have no money. We have sufficient material wealth to house comfortably every Canadian citizen, but we have no money. We have the facilities to make our people the healthiest and the happiest people in the world, but we have no money. In other words, the mental, physical, moral and spiritual life of our people is languishing simply because we have no money. If that is not a dictatorship of the worst type, I shall be pleased to be informed what is.

When it comes to a fear that this country may drift into a fascist or communist dictatorship, I have this to say: The government of Canada, because of its refusal to do anything about the fundamental cause of our economic difficulties, has made more communists and fascists than has any propagandist. If this government wishes to encourage revolution, the easiest way to do it is to let things get so bad that the infuriated people will take matters into their own hands. The Minister of National Defence (Mr. Mackenzie) stated that he was just as anxious to help the struggling masses as was anyone else in this house. I should like to suggest to the minister that a man's faith is justified by his works. When the minister exhibits as much enthusiasm in favour of national money and credit issued in terms of public need as he has done for an increase in the defence estimates, then I shall be satisfied that he is really interested in the welfare of the people.

Having usurped the crown's prerogative, the bankers embarked upon a policy of saddling every government and private institution with as much usury reaping debt as it could possibly bear. Major Douglas in his book Social Credit, has this to say at page 149:

> To a financier a country is simply something on which to base a mortgage. Just as a private estate which is not mortgaged is, to a money lender, an excrescence on the landscape, so a country whose national debt is not as large as is consistent with security is an object of solicitude to international finance.

The international bankers have done their work so well that every child born in this Canada of ours immediately upon birth assumes a debt of almost one thousand dollars, upon which it must pay tribute from the time of its birth to the time of its death. By far the largest proportion of the taxes which Canadians pay is composed of interest on debt. Major Douglas, in giving evidence before the agriculture committee of Alberta, had this to say with respect to taxes, at page 126 of the evidence:

> Now who gets the taxes? The people who complain do not get the taxes. The taxes for the major part go directly into the coffers of the financial system, because they are the bondholders. They are the people who create war and the national debts, and so forth. The national debt is created by a technical process, which inevitably in the first place puts it into the hands of the financial authorities, and the service of that national debt requires taxation. Any popular cry against anything except financial institutions will always be supported by high finance, because it provides the taxes to serve those interests.

To sum up the situation I would say that the international bankers have, through a system of mass usury and taxation, brought the whole world to their feet, so much so that if they were to foreclose, the largest proportion of the population of the world would be forced to retreat to another planet.

If the parliament of Canada were to reclaim its sovereign right and exercise it like the banks of to-day it would be able to purchase anything at no cost to itself. With national money there would be no need for national debt, war debt or any other kind of government debt.

In my opinion the greatest travesty on justice is that after the peoples of the world have paid for a war with the flower of their manhood and the destruction of their homes and property, they and succeeding generations must slave for the rest of their lives to pay tribute to the money-changers on a debt which has already been fully paid.

I am not yet convinced either one way or the other so far as the necessity for arming Canada is concerned. But what I am convinced of is that if defence measures are necessary, they can be financed without borrowing and without taxation of a single, solitary cent. If we are to restore democracy we must do two things: First, we must restore to parliament its sacred and sovereign right, that of creating and issuing the medium of exchange, and, second, we must see that this money reaches the hands of the people in adequate quantities. Its sacred right having been restored, it would then become the duty of parliament to see that whatever was physically possible and desirable would become financially possible.

I should like now to elaborate a little on two ways in which national money could be used in Canada to promote world peace. I believe the greatest antidote to war is a happy and contented people. In my opinion an atmosphere conducive to armed conflict is possible only when people are unhappy and discontented because of the grave social injustices they are forced to tolerate. When men have an opportunity of establishing and enjoying the privileges of a home, they are not prone to leave them to destroy others who are engaged in the same happy activities. The vast majority of people to-day have but one great desire, and that is a more equitable distribution of both the actual and the potential abundance of real wealth, and the absolute security of a home. The home is the most beautiful, wonderful, gigantic and powerful institution that any nation can ever hope to possess. When the home life is jeopardized, the nation itself is in jeopardy. I feel quite satisfied that if there were made in this country an economic survey similar to that made under the direction of Mr. Harold Loeb in the United States of America, it would reveal the fact that we in this Canada of ours, with its immense quantity of natural wealth and its sparse population, could produce sufficient building material, furniture, conveniences and luxuries to provide every Canadian citizen with a completely modern home. If the United States with its present plant equipment can produce over $4,000 worth of consumable goods for every family of four, I see no reason why Canada could not do the same or even better. It is physically possible for every Canadian citizen to be a home owner, and all that remains is to make it financially possible.

If the government of Canada would so arrange its monetary and economic systems that every Canadian citizen who so desired could establish and own a home provided with all the conveniences, comforts and luxuries which industry is capable of producing or which the citizen desires to avail himself of, and if the occupants of these homes were permitted to enjoy the cultural advantages of modern society, I feel quite convinced that that would constitute one of the greatest contributions which Canada could make towards promoting world peace.

During the course of my reading I came upon a suggestion as to what could have been done with the money spent on the great war

if that money had been used for the enrichment of life rather than for its destruction. This man stated that the financial cost of the war was $400,000,000,000; that such a sum could have provided for every family in the United States, Canada, Australia, the British isles, France, Belgium, Germany and Russia, a house worth $2,500 with furniture worth $1,000, on a piece of land worth $500; for all cities of 20,000 and over a library worth $5,000,000, and a university worth $10,000,000, and that with the remainder there could have been established a fund which at five per cent would have provided $1,000 a year for 125,000 teachers and 125,000 nurses. I venture to assert that if this money had been used for that purpose there would never have been a world war, and instead of a hell on earth there could now have been a virtual paradise of beautiful homes.

Another great contribution which Canada could make towards world peace would be to demonstrate that a nation becomes prosperous, not because she exports more than she imports, but because she distributes among her own people as much of her own goods as her own people desire to consume and exports only the real surplus, and that not until she has imported goods equivalent in value to that of her surplus. If Canada gave the lie to the so-called favourable balance of trade policy and the necessity for struggling and competing for foreign markets, she would have taught a lesson which the nations of the world could not very well ignore. Since the necessity for forcing our way into foreign markets would be obviated, great armies and navies to defend the hard-won foreign markets and to keep open against all comers these precious foreign trade routes would no longer be necessary. The job of the armament makers would vanish for lack of material to work on. When what I have suggested is done, instead of international distrust and suspicion, the nations of the world will find a basis for harmonious cooperation. Then, and not until then, will peace visit the earth.

In conclusion, Mr. Speaker, I would say this: Let the prerogative of the crown be restored to parliament, and as a result of the exercising of that power let the peoples of the world discover that in comparison with population Canada has the largest number of beautiful homes. Let it be known that the occupants of Canadian homes are the most enlightened, the healthiest and the happiest people on earth, and it will not be long before the peoples of other countries will demand that their governments institute policies similar to those of Canada and thus avert a universal catastrophe. If the Liberal government had done last year what it led the people of Canada to believe it was going to do, we no doubt would at this time be enjoying the fruits of a policy such as I have suggested. But because they have not restored to government its sacred and sovereign right, and propose to finance appropriations for armaments with debt money, I intend to vote in favour of the amendment.

Mr. MAURICE BRASSET (Gaspé) (Translation): Mr. Speaker, following the many speeches we have listened to in this chamber, I do not intend to speak at any great length on this question. I merely wish to state why I shall vote to-morrow against the motion of the hon. member for Vancouver North (Mr. MacNeil) and why I shall also vote for the armament expenditures which the present government is submitting for our approval.

Mr. Speaker, I hesitated a long time before reaching this decision. I received from all sides, but particularly from large cities, resolutions adopted by people who presumed to dictate the stand to be taken by members of this house and I wondered whether the increased expenditure we were asked to approve was really necessary to ensure the security of our country.

However, the arguments advanced by those who spoke in this chamber against the increased outlay for armaments and the resolutions I received have not convinced me that the sum requested by the government is unnecessary.

I have greater faith, Mr. Speaker, in men such as the right hon. the Prime Minister (Mr. Mackenzie King), the leader of the province of Quebec, the hon. the Minister of Justice (Mr. Lapointe), and the Minister of National Defence (Mr. Mackenzie) than I have in all those organizations that ask us to vote on a question they do not even understand. Moreover, among the organizations that wrote to us and asked us to register our vote, the most serious minded did not ask us to vote against the proposed military outlays. I hold in my hand a resolution passed by the Société Saint-Jean-Baptiste, of Montreal, which merely asks us to vote so that the necessary expenditures shall be applied to the defence of Canada properly speaking, within its territorial limits. As I see it, we were asked to vote a sum of money merely for the territorial defence of Canada and we were not asked to approve the expenditure of a single cent for empire defence. Moreover, we were told our armaments had to be more up to date. We were told of the necessity of increasing our

armament for the defence of our territory, and with this view I fully agree, and I intend supporting the government. I think the time has come for us to consider our defence requirements, and that we should not merely rely upon England and the United States for our protection but that we can and must defend ourselves.

Let us not repeat the mistake of 1911. At that time a movement was started in the province of Quebec which brought about the downfall of Sir Wilfrid Laurier. I may say that this movement which broke out in 1911 in the province of Quebec was the immediate cause of Sir Wilfrid Laurier's defeat. What happened? Once Sir Wilfrid Laurier was no longer in power there came that fateful hour for Canada in 1914, and we had not then at the head of the government a man like Sir Wilfrid Laurier, who could have actually assumed the leadership of the Canadian people. Our leaders in this country were rabid imperialists, men who at once, without consulting parliament, without consulting the country, plunged Canada into the war of 1914-1918; and these are the same men who later on, in 1917, applied conscription.

The statements by our Prime Minister at Geneva and elsewhere, as well as those he made in this chamber, convince me that there is a determination to avoid repeating the mistake of 1914, and that, in fact, when the country is called upon to make a decision, it will not be the Prime Minister and his colleagues in the government who will make it. The Prime Minister has pledged himself upon his honour to consult the House of Commons, and it will rest with the whole country to determine whether we shall participate or not in a conflict. That is what all the provinces of Canada asked for, that is what my own province urged, and that is the reason why I am ready to give a vote of confidence in the government.

Mr. Speaker, I have no other remarks to add. I do know that an overwhelming majority of Liberals in this chamber will follow the counsel given us by our political leaders and I believe that such a course will be conducive to Canada's welfare. Hence, I will, for these reasons, give my support to the government.

Mr. T. J. O'NEILL (Kamloops): In rising to speak to this motion I wish to call attention to the fact that most of our time in this debate has been taken up with talk about war, rumours of war, preparations for war and matters of that kind. I do not consider that a discussion such as we have had for the past four days serves any good purpose. We are only delaying the work of the house, and accomplishing nothing. Some of the subjects that have been brought up relate to former resolutions. One of these was the first clause of a resolution introduced by the hon. member for Winnipeg North Centre (Mr. Woodsworth), as follows:

That under existing international relations, in the event of war, Canada should remain strictly neutral regardless of who the belligerents may be.

In the absence of any armaments how could we enforce that neutrality? It is all very well to say that we should remain neutral, but if we have no armaments to enforce that neutrality we would not be neutral very long.

Another matter to which I wish to refer is in connection with the motion of the hon. member for Weyburn (Mr. Douglas), that:

—in the event of another war involving Canada's active participation, every agency, financial, industrial, transportation or natural resources, shall automatically be conscripted for the duration of such a war, and that a penalty be imposed for the violation thereof.

I say here and now that I am opposed to any form of conscription, whether it be man power or anything else. If we have the proper conditions existing in Canada there will be no occasion to conscript people; if the country is attacked they will protect the country themselves because they have something to protect. It is not necessary to conscript wealth or to conscript industry; that cannot be done very well, but what can be done is to impose such taxation on the wealth and industry in the country that there will not be any profit made out of war. That is quite possible, but I do not believe conscription can be enforced, and I am not in favour of conscription, because there would occur something like what happened when there was an attempt in this country to reduce interest rates. Interest rates were reduced, certainly, but they were reduced on deposits, and you still paid as much to draw money as you did before. That is what would happen if you started to conscript. Men who had one hundred head of stock would have them all taken, but a fellow who had one hundred thousand head would probably have plenty left after you got through conscripting. I am not in favour of conscripting anything at any time, but if you do conscript the man power, then you should provide by some means that there would not be any profit made out of the slaughter. It is a deplorable thing to make a profit out of slaughter.

Let us look a little further into this resolution:

—that a penalty be imposed for the violation thereof.

How are you going to impose a penalty, and what is the penalty going to be? It seems to me you must have police and courts in order to impose a penalty. I have never had any desire at any time to join the police force, but I think it necessary to have a police force, and a well-equipped one, and I do not think that having a well-equipped police force is an incentive to crime. If you have armaments I do not believe they are an incentive to war. I hate war just as much as does any hon. member. I have a great deal to lose if war came. As far as I am concerned I would probably not be considered fit for a soldier at my time of life, but I have three sons. I would not want to see those boys conscripted and taken to war, or taken in any other way. It seems to me that we have confused the issue a great deal. We have been talking about whether we should go to war and all that, but that is not the issue. In my opinion the issue is whether we should have national defence, and if we should, whether these estimates are in order. That is what we should be considering.

Many hon. members have made the suggestion that we should rely upon the United States for protection. A good many hon. members on this side of the house have referred to the Cooperative Commonwealth Federation as the representative of labour. I cannot agree with that, although I have no quarrel with any of the hon. gentlemen who sit in the ranks of the Cooperative Commonwealth Federation. But I do not wish hon. members who are not well acquainted with labour affairs to refer to the Cooperative Commonwealth Federation as the representatives of labour. I grant that they represent some classes of labour, but they do not represent all the labour people in this dominion. Organized labour men despise people who will take the privileges that are gained by organized labour but will not help to maintain the organization which gets them those privileges. The action of such people is on a par with the suggestion that we should depend upon the United States to protect us and pay nothing for that protection. There are many labour men in this country—and my friends of the cooperative commonwealth federation know it—who will take all the privileges that the labour organizations secure for them, but will not pay any dues. The argument they put up is: Why should I pay dues? The other fellow has to protect me when he is protecting himself. And they ride on the coat-tails of the others. As a Canadian I do not want to be riding on the coat-tails of Uncle Sam. They are good and long but I do not want to ride on them.

This afternoon the hon. member for Vancouver East (Mr. MacInnis), replying to a remark by the Minister of National Defence (Mr. Mackenzie), in reference to the motion of the hon. member for Vancouver North (Mr. MacNeil), that it was double-barrelled, said that if it were double-barrelled it was for the purpose of dealing with a two-faced government. That is what the hon. member said if I heard him correctly. I wished to interject a question at that time, but the hon. member sat on me and sat on me pretty hard. That was his privilege, and I am not holding anything against him for it, but in saying he would not permit a question I take it he included all hon. members on the government side of the house. Being one of those members I naturally resent that. I have been working in the interests of organized labour for thirty-five years, and I have never at any time done anything that was not in the interest of organized labour as I saw it. I may be wrong, but that is the way I see it. The hon. member is altogether too vulnerable to make a statement of that kind. I should like to refer to a couple of instances in the last session. I was not here very much during that session on account of sickness, but I read from the record in Hansard which I assume is correct. This is a motion moved last year by the hon. member for Vancouver East:

> Whereas it is detrimental to the best interests of Canada that there should be in the country groups to whom, because of race or religious beliefs, we do not extend all the right of citizenship;
>
> Therefore be it resolved, that, in the opinion of this house, the government should take the necessary measures to exclude from the country all persons belonging to those groups to whom we do not grant the full rights and privileges of citizenship.

At that time, Mr. Speaker, I was a young member of this house, in experience if not in years, and I was very new to parliamentary procedure. I did not fully realize what my position would be if I did not speak on a question of that kind. In British Columbia we naturally have a greater percentage of orientals than in any other province, and I should have been among those who spoke to that motion. I did not say anything because I was not in a position to vote for the resolution. It was not that I wanted to see more orientals in British Columbia, but there are many more important things to be considered than the few orientals who may be allowed into this country. At the time I was objecting most strenuously to the importation of

orientals, they were being brought here in boatloads to work on the railways and for similar work, to displace white labour. The few orientals who come into Canada now are mainly of the better class, educated men, scientists, doctors, lawyers and so on. I was not very much interested in those few men, and moreover we had an agreement with Japan, so I did not think it would be very good business to stir up too much trouble. I had no objection to the hon. member for Vancouver East bringing in his resolution, but I did object very strenuously to a statement he made in closing the debate, and of course when he spoke the second time he concluded the debate on that resolution. This is what he said:

> Anyone voting against it votes for the principle that we should let people come into this country to stay permanently to whom we cannot grant the rights and privileges of citizenship. He will also vote for the continued coming of these people into the country.

As everyone knows, that was not the idea at all. We were not voting to allow these people to come in; we were simply voting not to disturb an agreement that existed between this country and Japan. There is no doubt at all in my mind, however, that during the next election in British Columbia this will be used against me, and there is just enough truth in it that one cannot say it is a lie. This will be broadcast from the platforms of British Columbia against me during the next election, if I run.

Mr. MacINNIS: On a point of order, Mr. Speaker; I have not the slightest objection to the hon. member discussing this resolution, because I do not think it is anything to my discredit, but what has it to do with the motion now before the house? It has absolutely nothing to do with it.

Mr. DEPUTY SPEAKER: As to the point of order, there has been very wide latitude allowed during this debate, and I do not think I should rule the hon. gentleman out of order at this time.

Mr. O'NEILL: There is another matter to which I should like to direct attention at this time; I refer to another remark made by the hon. member for Vancouver East for which he did not apologize, and I am very much surprised that he was permitted to get away with it. I do not think he should be allowed to get away with it even now. This was the remark he made:

> However, that did not prevent the Liberal party from helping the communists in Vancouver East. I am told that the communist candidate in Vancouver East did not put in an account of his election expenses, and I understand his reason for refraining was that the Liberal party had provided the funds and that it was up to them to put in the expense account.

Two days later, Mr. Speaker, the hon. gentleman made this statement:

> Since that time I have received information from Mr. Bruce, who was the communist candidate, that my statement was not correct. As he has no one here to make the statement for him, I wish to put that on record.

That is something else which, I suppose, will be used during the next election in British Columbia. The first statement was published on the front pages of newspapers in British Columbia, but the second statement appeared on the back pages of the newspapers, in among the advertisements, in a very small space.

As to the question of whether or not we should increase our armaments, let me say this: I started to work in British Columbia when I was a kid. I have never had to fight since I left school, but I did not make that enviable record by advertising to the world that I could not or would not fight.

Mr. J. J. DUFFUS (Peterborough West): Mr. Speaker, in rising to address the house at this time I give my assurance that I shall do my best to be very brief. Until a few hours ago I had no thought of taking part in this debate, for the reason that to me Canada's need for additional security is so obvious that I took it for granted that the proper time for discussion would be when the estimates were before the committee. But, when I read in the press of Tuesday evening that Great Britain was planning to again increase armaments on both land and sea, it brought very forcefully to my mind the question of Canada's defence, and awakened in me a greater responsibility, as a member of this parliament, towards the people whom I have the honour to represent.

If the report which I observed in the press were correct, as undoubtedly it was, that Great Britain is planning to spend well over $250,000,000 for capital ships, cruisers, infantry and tank battalions, and so on, with a large increase for her navy, then it must be patent to all either that Great Britain is putting forth an even more strenuous effort to avert war or that she suspects that a crisis is imminent. I think I am substantially correct when I say that at one time it was considered heroic to provoke or to promote war but that to-day, so far as Great Britain and Canada are concerned, the opposite is true. In my opinion one of the outstanding characteristics of the mother country in recent years has been her desperate, determined and ever

increasing efforts to avert war. I think it can be truly said that she was the last great nation to follow this rearmament policy.

Let it be distinctly understood that I am definitely opposed to war, and that I consider it my duty to do everything in my power to this end. Moreover, I am unalterably against everything in the nature of increased taxation, where it can be judiciously and economically avoided. If I thought the amount in the estimates was to be voted for the purpose of sending our men and boys and resources overseas, or out of Canada, I would vote against it. But the Prime Minister (Mr. Mackenzie King), the Minister of National Defence (Mr. Mackenzie) and the Minister of Justice (Mr. Lapointe) have reiterated time and again most emphatically that not one dollar of the estimates is for defence other than in our own country and for the security of our homes, our families, our cities, our industries, our trade routes, our canals, our harbours and coastlines, our self-respect, and the preservation of her vast area, rich on the surface and underneath, which is the envy of all the warring nations of the world.

Moreover, everyone in Canada knows it is the policy, written and implied, of this government, that not one soldier will be called upon to serve out of Canada without the sanction of parliament being first obtained. Furthermore, the people have implicit confidence that these commitments will be carried out—that is, if there is sufficient time for that to be done. My reason for the last observation is that we must not overlook the fact that fleets of bombing aeroplanes could leave Europe at this time to-night and have these parliament buildings blown to pieces by this time to-morrow. Does anyone in the house or elsewhere believe that we shall be immune from danger of attack simply because we provide nothing for our protection? If that principle be true, why not apply it to our police protection in the municipalities throughout the country. Why do we retain officers all through these buildings and on government property in Ottawa and elsewhere? We do so because there is possibility of some insidious act on the part of ill-disposed persons. Self-preservation is the first law of nature.

For these and many other reasons I could mention, had I not the keen desire to conserve the time of the house, I intend to vote against the amendment which, after all, is little more than a motion of want of confidence in the government. It also involves condemnation of the government for the inadequacy of its social security program. Just why the hon. members for Vancouver (Mr. MacNeil) and Rosetown-Biggar (Mr. Coldwell) presented the amendment in its present form and saw fit to precipitate a long debate costing the taxpayers of Canada tens of thousands of dollars, is beyond my comprehension.

On Tuesday, February 16, the hon. member for Winnipeg North Centre (Mr. Woodsworth), referring to the amendment, is reported at page 961 of Hansard as follows:

> It is well worded; I have no objection to the wording of it.

My well-considered opinion is that the amendment is drafted in its present scientific form so as to make it impossible to obtain the support of the members of both the Liberal and the Conservative party in the house, so that when hon. members of the Cooperative Commonwealth Federation party have an opportunity of later discussing the matter on the public platform they will reiterate their oft-repeated accusation that neither of the older parties mentioned has the interests of our people at heart.

Whatever may be the opinion of the people of Canada as to whether the amount in the estimates is too great or too little, I am sure they are all opposed to this expensive and futile debate, more particularly since it is quite obvious to all that the amendment will obtain the support of only a handful of the members of the house.

Mr. J. H. BLACKMORE (Lethbridge): Mr. Speaker, over and over in my life have I found the thing that I ought to do not at all the thing that I liked to do. On this occasion I once more find it so. With the minds of people throughout Canada so filled with doubt, disagreement and fear, who is there that, if his conscience would let him, would not in connection with anything pertaining to war, gladly hold his peace? And yet in these so critical times, with all of yesterday's glowing achievement and all of to-morrow's glorious promise trembling in hazard, one must speak, prayerful that his remarks be wise.

May I say at the outset that no socialist in this building or out of it hates war more heartily than I do. I will grant with anyone, that war never settles anything, that no peace ever satisfies any of the people who make it. Let any treaty be made as wisely as possible, the next generation will likely rise up and curse it. Every modern treaty contains the seeds of a greater war than it closes. I will grant all that. These things are freely and heartily conceded, but I cannot and will not entirely blame the delegates who made or must make that peace. The deficiencies in any given treaty are there not necessarily because

of the treachery, the wickedness, the ignorance, the weakness or the indiscretion of the delegates, but because of the clash of interests, the fierceness of passion, the pressure of public opinion and the general set-up of circumstance in the clutch of which the delegates usually find themselves hopelessly gripped.

I will grant furthermore with ready alacrity that war is a fearful waste, that war is monstrously destructive of lives, of health, of comfort and virtue, of happiness and of both real and financial wealth. War fastens upon all participating nations a bondage of debt which enslaves their peoples to the third and fourth generations, and even beyond that. I concede that in any war any participant or combination of participants risks its national freedom, if not its very existence.

Beyond that I will go and concede that the causes of war appear never to be righteous and are almost never what they seem. I will agree that financiers, through hidden international intrigue, manipulate the factors which produce war, and that with them in their baleful endeavours are bound up the munition makers. It must further be conceded that war is always motivated by selfishness and greed, frequently the selfishness and greed of great private corporations and industries, and that secret treaties also help to cause war, as do likewise political machination and trickery. I frankly concede that propaganda, rousing fear, suspicion and hatred, often by shameful lies, both provokes war and tends to prolong it.

Again I will further allow and even contend that war is morally wicked; that it is nothing short of mass murder and mass robbery and that it both engenders and is engendered by mass hatred. As everyone knows, these three things are grossly un-Christian. Yet again I will with enthusiasm maintain that the burdens of war are unjustly distributed. Both suffering and sacrifice are borne by the poor, while little, if any, of these are borne by the rich. The values wasted in war are human values more than material values. The real fighters, the really deserving ones, rarely if ever get such rewards as come from war. The greatest sufferers are the mothers, the sisters, the wives and the sweethearts, the innocent and helpless among us. Could it avail us anything, I would at this time cry out as loudly and as bitterly as anyone against the monstrous wrong and the shameful pity of it all. But alas an outcry would be but an outcry.

Having expressed in some measure my hatred of war, let me now challenge any man in this dominion to show that he is more earnest and more determined than I in his desire and in his efforts to remove the real causes of war. I know what those causes are and I know they must be removed. I have some notion as to how they might be removed, and in so far as in me lies, I shall gladly devote my life's energies in any intelligent effort to remove those causes.

Let me here briefly review a few of the factors which result in war. I am aware that it was largely poverty, especially poverty in the midst of plenty, that rendered possible a Hitler, a Mussolini, a Lenin and a Franco. I am aware also that trade rivalry and the struggle for markets spur nations to outbursts of envy, jealousy and hatred and were in a large measure responsible for the terrible crisis of 1914. I am painfully aware that there are flagrant inequalities among nations; that certain nations such as Italy and Japan are manifestly cramped in point of territory; that many are hampered by lack of resources such as coal and oil and nickel and other commodities needed in the modern industrial world, while at the same time they see neighbour nations, such as our own, keeping almost unused a superabundance of the very things they require. I perceive that in the relentless struggle for markets which must characterize an industrialized world under the present economic system, many weaker or less fortunate nations have seen their markets appropriated by stronger and more fortunate nations. No one senses more keenly than I that somehow, in a general spirit of international compromise and cooperative goodwill, we must remove these irksome inequalities.

Of the fact that there are other galling handicaps, I am not ignorant. No one needs to point out to me how there are nations lacking access to ocean highways because of geographical and artificial boundaries, lacking, as for example Poland did, access to ports and seas. Such a state of affairs makes people fret. It is not as it should be. Years ago it was brought home to me that there are certain races whose nationalities were suppressed by other races. Examples that come readily to mind are the Germans of Austria, the Magyars of former Austria-Hungary and the Poles before the treaty of Versailles. Such a condition creates a breeding ground for the generation of bitterness. It should somehow be removed. Let me, here and now, declare that I will set my foot as far as he who goes farthest in any sane attempt to remove these conditions. But who can tell me how? Where is

he who knows? Eagerly and hungrily searching, I will listen to anyone's idea and give it my utmost respect. I am ready to go far in sacrifice or compromise once I have confidence that the sacrifice will permanently solve the problem. Meanwhile, living in a world of stark realities, I know that men must carry on and I conceive it to be my duty to give my support to those who are trying to carry on to the best of their ability and with apparently the best wisdom that man has attained.

Mr. Speaker, I dread war as much as any pacifist in the land—I dread and abhor it. There are four sons in my household, any one of whom means many times more to me than my own life and health. Three of them would be in immediate danger in the next war. As dear to me as my sons are several brothers whose names would almost surely be numbered for service. I have daughters and sisters who might be bereaved. In my life as a teacher I have learned to love with a peculiar tenderness the great numbers of boys and girls whose lives have been entrusted to my care. No one can value more the youth of this land. When I see a young man on the street and there flashes into my mind, as there does so often, a vision of his splendid body shattered by the hand of war, sickness comes over me so nauseating as to make me almost faint. When I see the beautiful face of any of our girls and the vision flashes into my mind of that face distorted with woe, I am moved almost beyond control. At the same time I realize that in the next war civilization is likely to be wiped out entirely. But what can be done about it? If we leave our country utterly undefended while the nations all around are arming, how can we hope that our weakness will prevent our destruction? When has the helplessness of the lamb rendered it immune from the wolf, or the defencelessness of the innocent child saved it from the kidnapping marauder.

As vividly as any man I sense the many excuses which we might offer for not now preparing. Many a youth, for example, is brooding in his heart and saying such bitter words as: "You fellows making the laws do not have to do the fighting; if you did, you would not be quite so ready to talk about armaments." To them I can only reply: "Perhaps so, but our elders decided the last war for us." Had we known all that they knew, I think we would have agreed with them. We members now bear the responsibility. We are trying to do for those whom we represent, perhaps not altogether what they now would ask us to do, but what we believe they would want us to do if they knew what we know and sensed what we sense. We are trying to do what they might wish we had done when they know, ten years from now, more than they now know. Again there are heard throughout the land voices muttering, not loud but deep: "Make Canada fit to live in; make it worth defending and we will gladly defend it. Give a square deal to the men who did your dirty work in the last war." With such voices I feelingly sympathize. I know men have mismanaged this house of ours, this Canada, and we cannot yet agree how to manage it; but shall we because of that, and while we are arguing how to manage it, let our enemies snatch it away from us or bomb our children within it?

Others are saying that the United States will defend us. Probably so, but could we lift up our heads and call ourselves an independent nation if another nation had to defend us? If upon the United States depended the responsibility for defending us, how long would it be before the United States would demand a potent voice in the management of our external affairs? Many ardent souls have struggled through many decades to make Canada independent and to assert Canada's nationhood. What for? That Canada might become a dependant of the United States?

Still other people are saying: "Britain will defend us." But suppose the strain should be too great and Britain should fall. Would Canadians then feel as safe as they feel now when Britain stands? Suppose that she should fall and we knew that that fall had come because she had risked her safety to defend us. Could Canadians ever again be reconciled? If we failed to do our share in preparing to defend our own coasts, and if, because of that, the democracies of the world should fail, could we ever hold up our heads? At other times I hear voices say: What can Canada possibly do to defend herself in modern warfare—there is no safety in war? Such truth as lies in their contention I gladly grant. At the same time I must remember the story of the little drops of water that can make a mighty ocean. Besides, did anyone say during the great war that Canada could do so little? Did anyone think such a thing just after the great war? I cannot help feeling that if we in Canada do anything less than all we can in reason do, then in case of a disaster we must stand blameworthy both to ourselves and to all generations. We shall have betrayed our trust.

Some voices say: Well, Canada's place is in union with the United States; let us leave our defence to the United States, and let what will be, be. These people I beg to remind that even if they become a part of the United States they could not possibly escape the responsibilities of war. Witness what is going on in the United States at the present time!

Still other voices argue: Let us keep ourselves helpless so that we cannot fight, and then we will be sure not to fight. My knowledge of history does not permit me to agree with them. It has generally been found that when men want to fight, they fight, regardless of preparation. Look at ourselves in the last war. Britain, they tell me, was not fully prepared until 1918; yet she fought, and for having been unprepared, terrible was the price she paid. Let hon. members in this connection recall what they heard men in this country saying one year ago while Ethiopia was being lacerated. Did they not hear many regretting Canada's inaction as a member of the league? How would Canadians have felt if it had been Australia instead of Ethiopia? How would they feel should New Zealand now be attacked? Would they say: Leave her to it? I have not yet found a single Canadian who would state that he would consent to such a thing. Suppose that Newfoundland were attacked: then what?

Let us come right down to the present moment: How do our people feel about Spain now? Let me read to the members of this house a resolution which I received from a Canadian city only this morning, and that from the very kind of men who are most bitterly opposing Canadian preparedness:

> Whereas it has been learned that the great fighter for Spanish and world democracy, General Emil Kleber, has been captured by the insurgent armies in the storming of Malaga and,
>
> Whereas we believe that the efforts of General Kleber, a Canadian citizen, in the leading of the international brigade, is a heroic work in support of Spanish and world democracy, and that his great work is in line with the mission that our own Doctor Bethune is carrying on in Madrid,
>
> Therefore be it resolved that we do urgently petition the federal M.P.'s at Ottawa to take this matter up at once with the federal government to demand the immediate release of General Kleber out of the hands of the fascist executioners at Malaga, who are being openly aided by the fascist countries of Germany and Italy, in violation of the non-intervention agreement that they have themselves signed,
>
> And be it further resolved that we do urge upon the federal government that they do everything in their power to call upon the non-intervention committee in London that they demand of the fascist junta in Burgos, Spain, that General Kleber be granted freedom at once.

What would happen to the world if members did what these men urge? What would occur if we could get done what they want us to do? The world would likely be plunged into war, and we along with the rest. How many people have you talked with in Canada who wished to volunteer to go and help the Spanish loyalists? In her present state of unpreparedness Canada could do little or nothing on either side, no matter what she might want to do. Even if bombs were dropped by raiders on this parliament building, on our food factories, on our other industrial centres or on our railway stations, what could we do right now? We are living in a world in which wolves abound. Shall we, to make sure that we will not shoot any of these wolves in case they attack us, leave ourselves without a gun? It would surely seem to be the part of wisdom in us to buy ourselves a good gun and a supply of cartridges, and to learn how to shoot. What we will shoot, or whether we will shoot, we can leave ourselves free to decide, if and when the emergency arises.

I long found myself persistently mystified whenever I tried to make clear to myself why it was that Canada which, from shore to shore, twenty years ago was throbbing with patriotic fervour was becoming not only largely apathetic to considerations of unity, but actually hostile. A British commonwealth which paid so great a price for racial safety now gives palpable evidence of approaching disintegration. The people are the same; their ideals are the same; their danger is as great as ever; but something appears to be progressively embittering them. The blame for this whole development I am going to lay relentlessly upon the financial system under which we live. Our present system, outgrown, obsolete, utterly inadequate, is deteriorating to the point of irreparable ruin—not only the whole British Empire but the whole British people. It might with much reason be argued that every government which is stubbornly clinging to the present system is doing more to compass the destruction of the British race than is any man or movement in the outside world to-day.

Major Douglas as far back as 1923 warned democracy over and over again of the coming of this depression and of the coming of this awful danger of war. Even earlier than that he gave all British people instructions how

they might avoid the approaching disaster, and all he got for his pains was supercilious sneers. How can it possibly be that men, rather than accept a new idea, will so risk irretrievable disaster? Even without accepting any new ideas, the men who have been in charge of British nations since the beginning of the great war could have avoided a great deal of this bitterness. Had they only so controlled profit-making during the great war that Canadians would not have had to reflect upon millionaires whose ill-gotten gains were amassed under the guise of patriotism while their fellow-Canadians suffered and bled, we should all be feeling better now.

Let me now turn to one of the most urgent reasons against preparation—one which is suggested in the amendment, namely, consideration for the bad economic conditions and the crying need everywhere obtaining in Canada, the thought how shameful it is to use for defence, money so gravely needed for relief. I do not believe that we should or need use for our defence any of the money which we should or would otherwise use for relief or for other social services. I have urged before in this house, and will perhaps urge many times again, that this dominion government under existing circumstances can safely create a considerable amount of money and safely use it for any necessary purpose.

I have been answered with the retort that such procedure would cause inflation. There has thus far been advanced no argument that can justify that answer. How would Canada proceed to finance herself if war were to break out and she were to become involved? With people in such poverty as they now are throughout this country, how could we possibly hope to raise great victory loans as we did in the last war? During those years Britain spent far more money, I am told, than there was in the whole of Britain, and she still had plenty to carry on. Where did the money come from? Apparently the banks created a great deal of it. Who would create the money in Canada in case of another crisis? Would the banks or would the government? If not the government, why not? The government backs the money anyway, by backing the banks. Why should new money whether created by the banks or by government cause inflation? The government of Great Britain financed the war with a sort of government money. It worked and was sound.

The argument has been laboured that we must have goods; that goods and services are the only purchasing power. If we grant that, how then can we possibly have overproduction? And if goods are purchasing power why then are not banks now lending freely to produce more goods, and why is the government not campaigning for more production of milk, meats, vegetables, sugar, clothing, electricity, building material, coal and the like? We are told the Liberals want more purchasing power; why are they not then taking the most direct method of getting it? We now want purchasing power to finance defence. Why not produce the goods and services, and with them as purchasing power finance our defence? In this manner can be swept away a great deal of the present opposition to the government's defence policy.

And now, Mr. Speaker, having dealt with certain considerations pertaining to defence, and having given to some extent the reasons which prevent these considerations from persuading me to oppose the government's policy, let me now give some of the thoughts which have led me this year to support that policy. I choose to use homely and simple illustrations, for I find myself able to think to better advantage in terms of concrete experience. We all recognize that any man has the right to kill in self defence. We, therefore, must regard the individual human life as sacred above all things. If I entered my neighbour's home with intent to kill him, or to do him serious bodily harm, everyone would justify him in killing me. Most people would censure him if he did not kill me. If I entered his home with intent to harm any of his family, and he knew my purpose, most people would justify him in stopping me by force, even to the extent of killing me. If he, knowing or strongly surmising my intent, did not prevent me by force if need be, most people would blame him; many would despise him, his wife and his children among them.

Now, if that neighbour, knowing that I was coming armed, failed to prepare himself against me, he would be almost universally blamed, if not censured. What applies to an individual must surely apply to a community of individuals. Even if my neighbour knew that I was bringing a machine gun or a bomb, or any other deadly device, most people would expect him to do all that he could, even to the extent of giving his life, to save his family. The same reasoning ought to apply to any community of individuals. If, knowing that I was armed and that I might by chance violate his home, he failed to arm himself against my coming, he would be blamed for failure to arm himself against my coming. After I had armed, if he so armed himself, could anyone possibly

reason that his arming had caused me to attack him? Again, if that neighbour of mine found himself dwelling in a vicinity where most of the men were armed, would you not hold him blameworthy if he did not arm himself? And if, under such circumstances he did arm himself, can anyone consistently contend that his arming himself would cause me or any of his other armed neighbours to attack him? This reasoning, again, applying as it manifestly does to an individual, appears to me to apply with equal force to communities of individuals.

Now, Canada is that neighbour; she lives in an armed world community; she is filled with resources, fabulously rich—rich in the very materials which ambitious nations covet. If her rulers neglect to arm her, how they can possibly escape the censure of all carefully thinking people it is beyond my power to comprehend.

It seems fitting to me that I should dwell with some care upon certain other causes of war which hitherto, as far as I recollect, have not, in this debate, been greatly stressed. Let me return again to individuals and their neighbours. Let us suppose that my neighbour has a sixteen year old boy. Everybody recognizes that this boy will naturally express himself. He may shout and sing a great deal, not because he wishes to annoy his parents or their neighbours, but just because he wishes to express himself. His parents naturally will endeavour to restrain him. Suppose, now, that he refuses to listen to persuasion or to reason, no matter how much we all remonstrate with him, what can we do about it? Most ordinary people would say that in some manner or another, sooner or later, force would have to be applied to that boy. If his parents did not do it, some of his neighbours, perhaps his neighbour's sixteen year old boy, would likely do it. There are boys among nations. It is because of this fact that we have come to think of collective security through alliances, ententes, leagues of nations and the like. So long as there are no alliances or leagues of nations sufficient to give this collective security, it would seem to be beyond question that each of the neighbours must be prepared, either individually or in cooperation with several neighbours, either to administer correction or to fill the rowdy ones with a measure of awe. There appears no way of avoiding the implications of this reasoning.

Here is another thought. Each race becomes passionately attached to its own way of doing things, to its own civilization, as we call it. A people's language, habits of thought, modes of life, et cetera, constitute something which the Germans called kultur. Now, it is a well-known fact that it is the natural impulse of each human being to try to get other human beings to do as he or she does. As we say, it is the natural impulse, almost an instinct, of nearly everyone to try to impose his will upon his neighbour. It is an equally potent and prevalent impulse for everyone to resent any attempt of his neighbour to impose his will upon him; that is, as we say, each one naturally wants his own way about it. This impulse to impose one's will upon another, and this equally urgent impulse to resent such imposition, and to develop oneself in one's own way, cause ceaseless struggle among individual human beings. Generally the struggle takes the form of a clash of personality resulting in quarrels. But if satisfactory results cannot be obtained by a quarrel, there will be a fight; that is, there will be a resort to force.

Now, each nation or race is incessantly attempting to impose its will upon each other race; that is, each nation is trying to bring about universal acceptance of its kultur, its language, its religion in some cases, its education, et cetera. Just as sternly as one individual resents and resists and must resist the imposition of another's will upon him, so sternly does each nation or race resist the imposition of any other race's will or kultur upon it. Away down deep in the heart of every race this instinct resides, ever present. One of the most cogent causes of war is this very impulse. It is the impulse which has in our day resulted in a Mussolini promising his people all the land that the Roman empire ever ruled; this, too, has resulted in the passionate ebullition of racial feeling which has thrust and is still thrusting Hitler into prominence. Thus far, no one that I have ever heard of has been able to give any sufficient remedy for this cause. Canada has her own kultur, though we call it our own civilization. Is it worth preparing to defend? Every people, so far as I can judge, must be constantly on its guard, ready to defend its own culture. There are, at the present time in the world, at least five great peoples, each definitely dreaming of world dominion, each instinctively if not consciously planning to impose upon us and upon others its own kultur. I do not believe that the Anglo-Saxon race—the British peoples—should strive to impose their will upon others, at least by any aggressive means. At the same time who can see any reason that would justify us in allowing others to impose their will upon us?

We must be ready to give and take with all peoples. We must be ready to compromise. We must cultivate in our own hearts understanding of the legitimate aspirations of other peoples and an honest disposition to help them to obtain the good things of this world. We must constantly strive to allow every other race the full right and opportunity to realize the complete development and expression of its own culture, and to contribute that culture to the enrichment of the world's life, always granted that it does not, by realizing itself, hinder unwarrantably the self-realization of its fellow races. That no race might be able to hinder our own self-realization, we must, I conceive, prepare to defend ourselves in case of need.

Mr. Speaker, it is eleven o'clock.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

END OF VOLUME I